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Hegemonic Quicksand

Zbigniew Brzezinski

FOR THE next several decades, the most volatile and dangerous region of the world—with the explosive potential to plunge the world into chaos—will be the crucial swathe of Eurasia between Europe and the Far East. Heavily inhabited by Muslims, we might term this crucial subregion of Eurasia the new "Global Balkans."[1] It is here that America could slide into a collision with the world of Islam while American-European policy differences could even cause the Atlantic Alliance to come unhinged. The two eventualities together could then put the prevailing American global hegemony at risk.

At the outset, it is essential to recognize that the ferment within the Muslim world must be viewed primarily in a regional rather than a global perspective, and through a geopolitical rather than a theological prism. The world of Islam is disunited, both politically and religiously. It is politically unstable and militarily weak, and likely to remain so for some time. Hostility toward the United States, while pervasive in some Muslim countries, originates more from specific political grievances—such as Iranian nationalist resentment over the U.S. backing of the Shah, Arab animus stimulated by U.S. support for Israel or Pakistani feelings that the United States has been partial to India—than from a generalized religious bias.

The complexity of the challenge America now confronts dwarfs what it faced half a century ago in Western Europe. At that time, Europe's dividing line on the Elbe River was the strategically critical frontline of maximum danger, with the daily possibility that a clash in Berlin could unleash a nuclear war with the Soviet Union. Nevertheless, the United States recognized the stakes involved and committed itself to the defense, pacification, reconstruction and revitalization of a viable European community. In doing so, America gained natural allies with shared values. Following the end of the Cold War, the United States led the transformation of NATO from a defense alliance

Zbigniew Brzezinski is former national security advisor to the president. This article is excerpted from his forthcoming book, *The Choice: Global Domination or Global Leadership* © 2004, to be published this March by Basic Books, a member of the Perseus Books Group. All rights reserved.

[1]This phrase is meant to draw attention to the geopolitical similarity between the traditional European Balkans of the 19th and 20th centuries and the unstable region that currently extends from approximately the Suez Canal to Xinjiang, and from the Russo-Kazakh border to southern Afghanistan—almost like a triangle on the map. In the case of both areas, internal instability has served as a magnet for external major power intervention and rivalry. (For fuller discussion, see Brzezinski, *The Grand Chessboard*, chapter 5.)

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into an enlarging security alliance—gaining an enthusiastic new ally, Poland—and it has supported the expansion of the European Union (EU).

For at least a generation, the major task facing the United States in the effort to promote global security will be the pacification and then the cooperative organization of a region that contains the world's greatest concentration of political injustice, social deprivation, demographic congestion and potential for high-intensity violence. But the region also contains most of the world's oil and natural gas. In 2002, the area designated as the Global Balkans contained 68 percent of the world's proven oil reserves and 41 percent of the world's proven natural gas reserves; it accounted for 32 percent of world oil production and 15 percent of world natural gas production. In 2020, the area is projected to produce roughly 42 million barrels of oil per day—39 percent of the global production total (107.8 million barrels per day). Three key regions—Europe, the United States and the Far East—collectively are projected to consume 60 percent of that global production (16 percent, 25 percent and 19 percent, respectively).

The combination of oil and volatility gives the United States no choice. America faces an awesome challenge in helping to sustain some degree of stability among precarious states inhabited by increasingly politically restless, socially aroused and religiously inflamed peoples. It must undertake an even more daunting enterprise than it did in Europe more than half a century ago, given a terrain that is culturally alien, politically turbulent and ethnically complex.

In the past, this remote region could have been left to its own devices. Until the middle of the last century, most of it was dominated by imperial and colonial powers. Today, to ignore its problems and underestimate its potential for global disruption would be tantamount to declaring an open season for intensifying regional violence, region-wide contamination by terrorist groups and the competitive proliferation of weaponry of mass destruction.

The United States thus faces a task of monumental scope and complexity. There are no self-evident answers to such basic questions as how and with whom America should be engaged in helping to stabilize the area, pacify it and eventually cooperatively organize it. Past remedies tested in Europe—like the Marshall Plan or NATO, both of which exploited an underlying transatlantic political-cultural solidarity—do not quite fit a region still rent by historical hatreds and cultural diversity. Nationalism in the region is still at an earlier and more emotional stage than it was in war-weary Europe (exhausted by two massive European civil wars fought within just three decades), and it is fueled by religious passions reminiscent of Europe's Catholic-Protestant forty-year war of almost four centuries ago.

Furthermore, the area contains no natural allies bonded to America by history and culture, such as existed in Europe with Great Britain, France, Germany and, lately, even Poland. In essence, America has to navigate in uncertain and badly charted waters, setting its own course, making differentiated accommodations while not letting any one regional power dictate its direction and priorities.

To Whom Can America Turn?

TO BE SURE, several states in the area are often mentioned as America's potential key partners in reshaping the Global Balkans: Turkey, Israel, India and—on the region's periphery—Russia. Unfortunately, every one of them suffers serious handicaps in its capability to contribute to regional stability or has goals of its own that collide with America's wider interests in the region.

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Turkey has been America's ally for half a century. It earned America's trust and gratitude by its direct participation in the Korean War. It has proven to be NATO's solid and reliable southern anchor. With the fall of the Soviet Union, it became active in helping both Georgia and Azerbaijan consolidate their new independence, and it energetically promoted itself as a relevant model of political development and social modernization for those Central Asian states whose people largely fall within the radius of the Turkic cultural and linguistic traditions. In that respect, Turkey's significant strategic role has been complementary to America's policy of reinforcing the new independence of the region's post-Soviet states.

Turkey's regional role, however, is limited by two major offsetting considerations stemming from its internal problems. The first pertains to the still uncertain status of Atatürk's legacy: Will Turkey succeed in transforming itself into a secular European state even though its population is overwhelmingly Muslim? That has been its goal since Atatürk set his reforms in motion in the early 1920s. Turkey has made remarkable progress since then, but to this day its future membership in the European Union (which it actively seeks) remains in doubt. If the EU were to close its doors to Turkey, the potential for an Islamic political-religious revival and consequently for Turkey's dramatic (and probably turbulent) international reorientation should not be underestimated.

The Europeans have reluctantly favored Turkey's inclusion in the European Union, largely in order to avoid a serious regression in the country's political development. European leaders recognize that the transformation of Turkey from a state guided by Atatürk's vision of a European-type society into an increasingly theocratic Islamic one would adversely affect Europe's security. That consideration, however, is contested by the view, shared by many Europeans, that the construction of Europe should be based on its common Christian heritage. It is likely, therefore, that the European Union will delay for as long as it can a clear-cut commitment to open its doors to Turkey—but that prospect in turn will breed Turkish resentments, increasing the risks that Turkey might evolve into a resentful Islamic state, with potentially dire consequences for southeastern Europe.[2]

The other major liability limiting Turkey's role is the Kurdistan issue. A significant proportion of Turkey's population of 70 million is composed of Kurds. The actual number is contested, as is the nature of the Turkish Kurds' national identity. The official Turkish view is that the Kurds in Turkey number no more than 10 million, and that they are essentially Turks. Kurdish nationalists claim a population of 20 million, which they say aspires to live in an independent Kurdistan that would unite all the Kurds (claimed to number 25–35 million) currently living under Turkish, Syrian, Iraqi and Iranian domination. Whatever the actual facts, the Kurdish ethnic problem and the potential Islamic religious issue

[2]How far the latter in such circumstances could go was dramatically conveyed in a speech on March 7, 2002 at the Ankara War Academy by General Tuncer Kilinc, the secretary-general of the National Security Council, who bluntly stated that "Turkey hasn't seen the slightest assistance from the EU" in its efforts to become part of Europe and that in seeking allies Turkey might hence do well "to begin a new search that would include Iran and the Russian Federation" (as reported by Nicholas Birch, "Once Eager to Join EU, Turkey Grows Apprehensive", *Christian Science Monitor*, March 21, 2002; see also the analysis of the speech's import by Hooman Peimani, "Turkey Hints at Shifting Alliance", *Asia Times*, June 19, 2002).

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tend to make Turkey—notwithstanding its constructive role as a regional model—also very much a part of the region's basic dilemmas.

Israel is another seemingly obvious candidate for the status of a pre-eminent regional ally. As a democracy as well as a cultural kin, it enjoys America's automatic affinity, not to mention intense political and financial support from the Jewish community in America. Initially a haven for the victims of the Holocaust, it enjoys American sympathy. As the object of Arab hostility, it triggered American preference for the underdog. It has been America's favorite client state since approximately the mid-1960s and has been the recipient of unprecedented American financial assistance ($80 billion since 1974). It has benefited from almost solitary American protection against UN disapprobation or sanctions. As the dominant military power in the Middle East, Israel has the potential, in the event of a major regional crisis, not only to be America's military base but also to make a significant contribution to any required U.S. military engagement.

Yet American and Israeli interests in the region are not entirely congruent. America has major strategic and economic interests in the Middle East that are dictated by the region's vast energy supplies. Not only does America benefit economically from the relatively low costs of Middle Eastern oil, but America's security role in the region gives it indirect but politically critical leverage on the European and Asian economies that are also dependent on energy exports from the region. Hence good relations with Saudi Arabia and the United Arab Emirates—and their continued security reliance on America—is in the U.S. national interest. From Israel's standpoint, however, the resulting American-Arab ties are disadvantageous: they not only limit the degree to which the United States is prepared to back Israel's territorial aspirations, they also stimulate American sensitivity to Arab grievances against Israel.

Among those grievances, the Palestinian issue is foremost. That the final status of the Palestinian people remains unresolved more than 35 years after Israel occupied the Gaza Strip and the West Bank—irrespective of whose fault that actually may be—intensifies and, in Arab eyes, legitimates the widespread Muslim hostility toward Israel.[3] It also perpetuates in the Arab mind the notion that Israel is an alien and temporary colonial imposition on the region. To the extent that the Arabs perceive America as sponsoring Israeli repression of the Palestinians, America's ability to pacify anti-American passions in the region is constrained. That impedes any joint and constructive American-Israeli initiative to promote multilateral political or economic cooperation in the region, and it limits any significant U.S. regional reliance on Israel's military potential.

Since September 11, the notion of India as America's strategic regional partner has come to the forefront. India's credentials seem at least as credible as Turkey's or Israel's. Its sheer size and power make it regionally influential, while its democratic credentials make it ideologically attractive. It has managed to preserve its democracy since its inception as an independent state more than half a century ago. It has done so despite widespread poverty and social inequality, and despite considerable ethnic and religious diversity in a predominantly Hindu but formally secular state. India's prolonged conflict with its Islamic neighbor, Pakistan, involving violent confrontations

[3]Demographics play a role as well: The fact that somewhat more than 5 million Jewish Israelis dominate the somewhat less than 5 million Arab Palestinians (of whom about 1.2 million are Israeli citizens) and that the latter are increasing much more rapidly intensifies Israeli insecurity and Arab resentments.

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with guerrillas and terrorist actions in Kashmir by Muslim extremists benefiting from Pakistan's benevolence, made India particularly eager to declare itself after September 11 as co-engaged with the United States in the war on terrorism.

Nonetheless, any U.S.-Indian alliance in the region is likely to be limited in scope. Two major obstacles stand in the way. The first pertains to India's religious, ethnic and linguistic mosaic. Although India has striven to make its 1 billion culturally diverse people into a unified nation, it remains basically a Hindu state semi-encircled by Muslim neighbors while containing within its borders a large and potentially alienated Muslim minority of somewhere between 120–140 million. Here, religion and nationalism could inflame each other on a grand scale.

So far, India has been remarkably successful in maintaining a common state structure and a democratic system—but much of its population has been essentially politically passive and (especially in the rural areas) illiterate. The risk is that a progressive rise in political consciousness and activism could be expressed through intensified ethnic and religious collisions. The recent rise in the political consciousness of both India's Hindu majority and its Muslim minority could jeopardize India's communal coexistence. Internal strains and frictions could become particularly difficult to contain if the war on terrorism were defined as primarily a struggle against Islam, which is how the more radical of the Hindu politicians tend to present it.

Secondly, India's external concerns are focused on its neighbors, Pakistan and China. The former is seen not only as the main source of the continued conflict in Kashmir but ultimately—with Pakistan's national identity rooted in religious affirmation—as the very negation of India's self-definition. Pakistan's close ties to China intensify this sense of threat, given that India and China are unavoidable rivals for geopolitical primacy in Asia. Indian sensitivities are still rankled by the military defeat inflicted upon it by China in 1962, in the short but intense border clash that left China in possession of the disputed Aksai Chin territory.

The United States cannot back India against either Pakistan or China without paying a prohibitive strategic price elsewhere: in Afghanistan if it were to opt against Pakistan, and in the Far East if it allied itself against China. These internal as well as external factors constrain the degree to which the United States can rely on India as an ally in any longer-term effort to foster—let alone impose—greater stability in the Global Balkans.

Finally, there is the question of the degree to which Russia can become America's major strategic partner in coping with Eurasian regional turmoil. Russia clearly has the means and experience to be of help in such an effort. Although Russia, unlike the other contenders, is no longer truly part of the region—Russian colonial domination of Central Asia being a thing of the past—Moscow nevertheless exercises considerable influence on all of the countries to its immediate south, has close ties to India and Iran and contains some 15–20 million Muslims within its own territory.

At the same time, Russia has come to see its Muslim neighbors as the source of a potentially explosive political and demographic threat, and the Russian political elite are increasingly susceptible to anti-Islamic religious and racist appeals. In these circumstances, the Kremlin eagerly seized upon the events of September 11 as an opportunity to engage America against Islam in the name of the "war on terrorism."

Yet, as a potential partner, Russia is also handicapped by its past, even its very recent past. Afghanistan was devastated by a decade-long war waged by Russia, Chechnya is on the brink of genocidal extinction, and the newly independent

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Central Asian states increasingly define their modern history as a struggle for emancipation from Russian colonialism. With such historical resentments still vibrant in the region, and with increasingly frequent signals that Russia's current priority is to link itself with the West, Russia is being perceived in the region more and more as a former European colonial power and less and less as a Eurasian kin. Russia's present inability to offer much in the way of a social example also limits its role in any American-led international partnership for the purpose of stabilizing, developing and eventually democratizing the region.

Ultimately, America can look to only one genuine partner in coping with the Global Balkans: Europe. Although it will need the help of leading East Asian states like Japan and China—and Japan will provide some, though limited, material assistance and some peacekeeping forces—neither is likely at this stage to become heavily engaged. Only Europe, increasingly organized as the European Union and militarily integrated through NATO, has the potential capability in the political, military and economic realms to pursue jointly with America the task of engaging the various Eurasian peoples—on a differentiated and flexible basis—in the promotion of regional stability and of progressively widening trans-Eurasian cooperation. And a supranational European Union linked to America would be less suspect in the region as a returning colonialist bent on consolidating or regaining its special economic interests.

America and Europe together represent an array of physical and experiential assets with the capability to make the decisive difference in shaping the political future of the Global Balkans. The question is whether Europe—largely preoccupied with the shaping of its own unity—will have the will and the generosity to become truly engaged with America in a joint effort that will dwarf in complexity and scale the earlier, successful joint American-European effort to preserve peace in Europe and then end Europe's division.

European engagement will not occur, however, if it is expected to consist of simply following America's lead. The war on terrorism can be the opening wedge for engagement in the Global Balkans, but it cannot be the definition of that engagement. This the Europeans, less traumatized by the September 11 attacks, understand better than the Americans. It is also why any joint effort by the Atlantic community will have to be based on a broad strategic consensus regarding the long-term nature of the task at hand.

Somewhat the same considerations apply to Japan's potential role. Japan, too, can and should become a major if somewhat less central player. For some time to come, Japan will eschew a major military role beyond that of direct national self-defense. But despite its recent stagnation, Japan remains the globe's second-largest national economy. Its financial support for efforts designed to enlarge the world's zone of peace would be crucial and ultimately in its own interest. Hence Japan—in conjunction with Europe—has to be viewed as America's eventual partner in the long-term struggle against the many forces of chaos within the Global Balkans.

Formulating a Strategy

IN BRIEF, America may be preponderant, but it is not omnipotent. It will need a broadly cooperative strategy for coping with the region's explosive potential. But as the successful experience of shaping the Euro-Atlantic community has shown, burdens cannot be shared without shared decision-making. Only by fashioning a comprehensive strategy with its principal partners can America avoid becoming mired, alone, in hegemonic quicksand.

Given that the area's problems involve an almost seamless web of overlapping

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conflicts, the first step in a comprehensive response is to define priorities. Three interrelated tasks stand out as central: (1) resolving the Arab-Israeli conflict, which is so disruptive to the Middle East; (2) transforming the strategic equation in the oil-producing region from the Persian Gulf to Central Asia; and (3) engaging key governments through regional arrangements designed to contain WMD proliferation and the terrorist epidemic.

Arab-Israeli peace is the most urgent need, because it is essential to the pursuit of the other two. Immediately at issue is the Israeli-Palestinian conflict, whose specific resolution has to be the proximate goal. But there is also the larger reality of Arab hostility toward Israel, which breeds tension in the Middle East and ricochets Muslim hostility against America.[4] That condition can only be ameliorated by a fair and viable peace that eventually fosters constructive Israeli-Palestinian cooperation, thereby diluting Arab animus and inducing Arab acceptance of Israel as a permanent fixture on the Middle Eastern scene.

Adding urgency to the issue is the risk that the Euro-Atlantic alliance could split asunder on the Middle Eastern rock. Although America is the dominant external power in the Middle East, its relations with Europe could come under severe duress as transatlantic views diverge over how best to engage the region. For decades since the abortive Franco-British Suez adventure of 1956, the area from the Suez to the Persian Gulf has effectively been an American protectorate. Gradually, the protector shifted from a pro-Arab to a pro-Israeli preference while successfully eliminating any significant European and, later, Soviet political influence from the region. The decisive military victories in the 1991 and the 2003 campaigns against Iraq firmly established the United States as the sole external arbiter in the area.

After the September 11 attacks, the more conservative elements in the American political establishment, particularly those with strong sympathies for the Likud side of Israel's political spectrum, have become tempted by the vision of an altogether new order imposed by the United States on the Middle East as a response to the new challenge of terrorism plus proliferation. The pursuit of that vision has already involved the forcible termination of Saddam Hussein's dictatorship in Iraq, and it could portend action against the Ba'athi regime in Syria or the Iranian theocracy. In the name of democracy, there have also been calls for the United States to distance itself from the current rulers of Saudi Arabia and Egypt and to press for internal democratization, even at cost to America's interests in the region.

It is already evident that the European Union, as it begins to identify its own foreign policy interests, will not remain merely a passive observer or com-

[4]According to numerous public opinion polls, this issue gives rise to the most intense anti-American emotions. Reputable journalistic reports reinforce that conclusion. In the early fall of 2002, Jane Perlez reported in some detail that "Anger at the United States, embedded in the belief that the Bush administration lends unstinting support to Israel at the expense of the Palestinians, is at an unparalleled high across the Arab world." See "Anger at U.S. Said to Be at New High", *New York Times*, September 11, 2002. She was echoed by Karen DeYoung, who reported that Arab dislike of America "focused largely on what they saw as a general unfairness toward and lack of understanding of the region, and a particular bias toward Israel in the Israeli-Arab conflict." See "Poll Finds Arabs Dislike U.S. Based on Policies It Pursues", *Washington Post*, October 7, 2002. Arabs have also tended to interpret U.S. hostility toward Saddam Hussein's Iraq as driven by one-sided U.S. support for Israel, according to Zogby International polls conducted in mid-March 2003 in several Arab countries.

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pliant supporter of whatever the American policy is in the Middle East. In fact, it is precisely with regard to the Middle East that the European Union is beginning not only to shape its first truly joint and comprehensive strategy but also to challenge America's monopoly in regional arbitration. In the Seville Declaration of June 22, 2002, the EU took the important step of formulating a concept of a peaceful solution to the Israeli-Palestinian conflict that was significantly at variance with America's.[5] Intensifying U.S.-EU disagreements over the aftermath of the war against Iraq and possible political change in Iran may further encourage European assertiveness.

In the short run, America has the power and the will to disregard Europe's views. It can prevail by using its military might and temporarily prompt reluctant European accommodation. But the European Union has the economic resources and financial means to make the critical difference to the region's long-run stability. Thus, no truly viable solution in the area will be possible unless the United States and the EU increasingly act in common. The Middle East is at least as vital for Europe as Mexico is for America, and the EU—as it slowly defines itself—will increasingly attempt to assert its position. Indeed, it is in the Middle East that European foreign policy, for the first time since the Suez debacle of 1956, could explicitly define itself *against* America.

Nevertheless, the Euro-Atlantic community's emerging cleavage over the Middle East is reversible. There is remarkable international consensus regarding the substance of an eventual Israeli-Palestinian peace treaty. There are even drafts of the likely peace treaty that go considerably beyond the vague "roadmap" that the Bush Administration reluctantly endorsed in the spring of 2003. The real issue, how to get the Israelis and the Palestinians to cross the t's and dot the i's, will be a challenge despite the actual support for a compromise peace among the Israeli and Palestinian peoples. Left to themselves, they have proven unable to bridge their lingering differences or transcend their embittered suspicions.

Only the United States and the European Union together can decisively accelerate the process. To do so, they will increasingly have to spell out in substance, and not just in procedural terms, the outlines of an Israeli-Palestinian peace. Broadly speaking, there is international consensus that its basic framework will include two states, territorially defined by the 1967 lines but with reciprocal adjustments to permit incorporation into Israel of the suburban settlements of Jerusalem; two capitals in Jerusalem itself; only a nominal or symbolic right of return for the Palestinian refugees, with the bulk of returnees settling in Palestine, perhaps in vacated Israeli settlements; a demilitarized Palestine, perhaps with NATO or other international peacekeepers; and a comprehensive, unequivocal recognition of Israel by its Arab neighbors.

The internationally sponsored adoption of a viable formula for the coexistence of Israel and Palestine would not resolve the wider region's manifold conflicts, but it would have a triple benefit: it would somewhat reduce the focus of Middle Eastern terrorists on America; it would disarm the most likely trigger for a regional explosion; and it would permit a

[5]The Seville Declaration was much more explicit in formulating the specific parameters of a peace agreement between Israel and Palestine—notably on such matters as the sharing of Jerusalem, the 1967 frontiers and the right of the Palestinians to choose their own leaders, including Arafat—than the corresponding U.S. formulations at the time, which made concrete demands of the Palestinian side while not addressing the more contentious immediate issues.

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more concerted effort by the United States and the European Union to address the region's security problems without seeming to embark on an anti-Islamic crusade. The resolution of the Arab-Israeli conflict would also facilitate American efforts to promote the progressive democratization of the adjoining Arab states without appearing, in Arab eyes, to exploit the democratization issue as yet another pretext for delaying a comprehensive Israeli-Palestinian accommodation.

Given America's new prominence in the political life of the Arab Middle East in the aftermath of its occupation of Iraq, it is essential that U.S. policymakers not be seduced by doctrinaire advocates of an externally imposed and impatient democratization—a democratization "from above", so to speak. Sloganeering to that effect in some cases may reflect contempt for Islamic traditions. For others it may be tactical, rooted in the hope that the focus on democratization will provide a diversion from efforts to press both the Israelis and the Arabs to accept the compromises necessary for peace. Whatever the motivation, the fact is that genuine and enduring democracy is nurtured best in conditions that gradually foster spontaneous change and do not combine compulsion with haste. The former approach can indeed transform a political culture; the latter can only coerce a political correctness that is inherently unlikely to endure.

Similarly, creating a stable Iraq after the 2003 military intervention is a formidable and prolonged task that can only be made easier by U.S.-EU collaboration. The fall of the Iraqi regime could reopen latent border issues with Iran, Syria and Turkey. These could be dynamically complicated by the Kurdish issue, while the internal animus between Iraqi Sunni and Shi'a believers could unleash protracted and increasingly violent instability. Moreover, Iraq's 25 million people, generally considered the most nationalistically self-conscious of all the Arab peoples, may prove less pliant to external domination than expected. A long, costly and difficult recovery program will have to be managed in a volatile and potentially hostile environment.

More broadly, American-European cooperation in promoting a stable and democratic Iraq and in advancing Israeli-Palestinian peace—in effect, a "regional roadmap"—would create more favorable political preconditions for addressing the unsatisfactory strategic equation that prevails in the oil- and natural-gas-producing areas of the Persian Gulf, Iran and the Caspian Basin. Unlike energy-rich Russia, the states of this zone—from Kazakhstan and Azerbaijan all the way down to Saudi Arabia—are almost entirely exporters, but not major consumers, of the energy that is extracted from their ground. They have by far the world's largest reserves of oil and natural gas. Since reliable access to reasonably priced energy is vitally important to the world's three economically most dynamic regions—North America, Europe and East Asia—strategic domination over the area, even if cloaked by cooperative arrangements, would be a globally decisive hegemonic asset.

From the standpoint of American interests, the current geopolitical state of affairs in the world's principal energy-rich zone leaves much to be desired. Several of the key exporting states—notably Saudi Arabia and the United Arab Emirates—are weak and politically debilitated. Iraq faces a prolonged period of stabilization, reconstruction and rehabilitation. Another major energy producer, Iran, has a regime hostile to the United States and opposes U.S. efforts on behalf of a Middle Eastern peace. It may be seeking WMD and is suspected of terrorist links. The United States has sought to isolate Iran internationally, but with limited success.

Just to the north, in the southern Caucasus and Central Asia, the newly

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independent energy-exporting states are still in the early stages of political consolidation. Their systems are fragile, their political processes arbitrary and their statehood vulnerable. They are also semi-isolated from the world energy markets, with American legislation blocking the use of Iranian territory for pipelines leading to the Persian Gulf and with Russia aggressively seeking to monopolize international access to Turkmen and Kazakh energy resources. Only with the completion, several years from now, of the U.S.-sponsored Baku-Çeyhan pipeline will Azerbaijan and its trans-Caspian neighbors gain an independent link to the global economy. Until then, the area will be vulnerable to Russian or Iranian mischief.

For the time being, the powerful and exclusive U.S. military presence in the Persian Gulf region and the effective U.S. monopoly of significant long-range warfare capabilities give America a very considerable margin for unilateral policymaking. If it should become necessary to cut the potential nexus between the proliferation of WMD and conspiratorial terrorism, the United States has the means to act on its own, as it proved in bringing down the recent Iraqi regime. The problem becomes more complex, however, and the chances of a solitary American success more ephemeral, when the longer-range consequences of a violent strategic upheaval are taken into account.

It is difficult to envisage how the United States alone could force Iran into a basic reorientation. Outright military intimidation might work initially, given the gaping disparity of power between the two states, but it would be a gross error to underestimate the nationalist and religious fervor that such an approach would likely ignite among the 70 million Iranians. Iran is a nation with an impressive imperial history and with a sense of its own national worth. While the religious zeal that brought the theocratic dictatorship to power seems to be gradually fading, an outright collision with America would almost certainly re-ignite popular passions, fusing fanaticism with chauvinism.

While Russia has not stood in the way of any decisive U.S. military efforts to alter the strategic realities of the region, the current geopolitical earthquake in the Persian Gulf could jeopardize America's efforts to consolidate the independence of the Caspian Basin states. American preoccupation with the mess in Iraq, not to mention the cleavage between America and Europe as well as the increased American-Iranian tensions, has already tempted Moscow to resume its earlier pressure on Georgia and Azerbaijan to abandon their aspirations for inclusion in the Euro-Atlantic community and to step up its efforts to undermine any enduring U.S. political and military presence in Central Asia. That would make it more difficult for the United States to engage the Central Asian states in a larger regional effort to combat Islamic fundamentalism in Afghanistan and Pakistan. A resurgence of Muslim extremism of the Taliban variety could then even acquire a regional scope.

These risks could be lessened by closer U.S.-EU strategic collaboration with regard to Iraq and Iran. That may not be easy to achieve, given divergent American and European perspectives, but the benefits of cooperation outweigh the costs of any compromise. For the United States, a joint approach would mean less freedom of unilateral action; for the European Union, it would mean less opportunity for self-serving inaction. But acting together—with the threat of U.S. military power reinforced by the EU's political, financial and (to some degree) military support—the Euro-Atlantic community could foster a genuinely stable and possibly even democratic post-Saddam regime.

Together, the United States and European Union would also be better positioned to deal with the broader

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regional consequences of the upheaval in Iraq. Significant progress in the Israeli-Palestinian peace process would reduce the Arab concern that U.S. actions directed at Iraq's regime were inspired by Israel's desire to weaken all neighboring Arab states while perpetuating its control over the Palestinians. Moreover, strategic collaboration between the United States and the EU would make it easier for Turkey to avoid a painful choice between its loyalty as a U.S. ally and its hopes for EU membership.

Active strategic partnership between the United States and the European Union would also make it more likely that Iran could eventually be transformed from a regional ogre into a regional stabilizer. Currently, Iran has a cooperative relationship with Russia, but otherwise either wary or hostile relations with all of its neighbors. It has maintained a relatively normal relationship with Europe, but its antagonistic posture toward America—reciprocated by restrictive U.S. trade legislation—has made it difficult for European-Iranian and Iranian-Japanese economic relations to truly prosper. Its internal development has suffered accordingly, while its socioeconomic dilemmas have been made more acute by a demographic explosion that has increased its population to 70-odd million.

The entire energy-exporting region would be more stable if Iran, the region's geographic center, were reintegrated into the global community and its society resumed its march to modernization. That will not happen as long as the United States seeks to isolate Iran and is insensitive to Iran's security concerns, especially given the presence in Iran's immediate neighborhood of three overt and one covert nuclear powers. More effective would be an approach in which the Iranian social elite sees the country's isolation as self-imposed and thus counterproductive, instead of something enforced by America. Europe has long urged the United States to adopt that approach. On this issue, American strategic interests would be better served if America were to follow Europe's lead.

A promising start in this regard has been made by the European initiative on the complex issue of the Iranian nuclear program, an issue that should not be addressed in a manner reminiscent of the earlier U.S. exaggerations of the alleged Iraqi WMD threat. In the longer run, contrary to the image projected by its ruling mullahs—that of a religiously fanatical society—Iran stands the best chance, of all the countries in the region, of embarking on the path traced earlier by Turkey. It has a high literacy rate (72 percent), an established tradition of significant female participation in the professions and political life, a genuinely sophisticated intellectual class and a social awareness of its distinctive historical identity. Once the dogmatic rule imposed by Ayatollah Ruhollah Khomeini wears thin and the Iranian secular elites sense that the West sees a regionally constructive role for Iran, that country could be on the way toward successful modernization and democratization.

Such a progressive alteration of the region's prevailing strategic equation would permit implementation of the Caucasus Stability Pact proposed by Turkey in 2000, providing for various forms of region-wide cooperation.[6] To

[6]In January 2000, President Suleyman Demirel of Turkey proposed a "Caucasus Stability Pact", based on the successful experience of the "Stability Pact for South Eastern Europe" founded in June 1999. The latter—with strong U.S. and EU backing and under their security umbrella—was subsequently able to raise substantial amounts of money to promote the recovery of the Balkans. A similar initiative for the Caucasian region, involving its three newly independent states, as well as the United States, the EU, Russia and Turkey (at some

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make it effective, not only Turkey's and Russia's involvement would be needed, but also Iran's. Iran's reorientation would also permit wider economic access to the energy resources of Central Asia. In time, pipelines through Iran to the Persian Gulf could also be matched by parallel pipelines from Central Asia through Afghanistan and Pakistan to the Indian Ocean, branching out also to India. The result would be of major economic (and potentially political) benefit not only to south-central Asia but to the increasingly energy-ravenous Far East.

Progress along these lines, in turn, would help advance the third strategic priority for this region, the need to contain both the proliferation of WMD and the terrorist epidemic. Neither issue is susceptible to a quick resolution. But tangible movement on the first two priorities—Israeli-Palestinian peace and the remaking of the region's strategic landscape—would undercut some of the popular support for anti-Western, and especially anti-American, terrorism. It could also make it easier to concentrate on the struggle against Middle Eastern terrorists while reducing the risks of a more comprehensive religious and cultural clash between the West and Islam.

Moreover, an effective halt to further nuclear proliferation in this conflict-ridden region will ultimately have to be based on a regional arrangement. If Iran is to forsake the acquisition of nuclear weapons, it must have alternative sources of security: either a binding alliance with a nuclear-armed ally or a credible international guarantee. A region-wide agreement banning nuclear weapons—on the model of the convention adopted some years ago by South American states—would be the preferable outcome. But in the absence of regional consensus, the only effective alternative is for the United States, or perhaps the permanent members of the UN Security Council, to provide a guarantee of protection against nuclear attack to any state in the region that abjures nuclear weapons.

THE EFFORT to stabilize the Global Balkans will last several decades. At best, progress will be incremental, inconsistent, and vulnerable to major reversals. It will be sustained only if the two most successful sectors of the globe—the politically mobilized America and the economically unifying Europe—treat it increasingly as a shared responsibility in the face of a common security threat. One should not forget that struggling alone makes the quicksand only more dangerous. □

point also Iran) could become an important vehicle for multilateral efforts to stabilize the volatile Caucasian region, to help resolve its various ethnic conflicts and to facilitate a peaceful solution to such tragic conflicts as the Russian war in Chechnya.

The Compassion of the Conquered

"I remember how shocked I was when he said he congratulated the victors—and that he pitied them deeply, for the conquered see what they are up against and what needs to be done, while the conquerors can hardly suspect what is in store for them."

—Ivo Andric, *Letter from 1920*

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Networking Nation-States

The Coming Info-National Order

James C. Bennett

THE EARLY 20th century was filled with predictions that the airplane, the automobile or the assembly line had made parliamentary democracy, market economies, jury trials and bills of rights irrelevant, obsolete and harmful. Today's scientific-technological revolutions (epitomized by space shuttles and the Internet) make the technologies of the early 20th century—its fabric-winged biplanes, Tin Lizzies and "Modern Times" gearwheel factories—look like quaint relics. Yet all of the "obsolete" institutions derided by the modernists of that day thrive and strengthen. The true surprise of the scientific revolutions ahead is likely to be not the technological wonders and dangers they will bring but the robustness of the civil society institutions that will nurture them.

This may seem counterintuitive to many people. Surely novel technological capabilities require novel social institutions, right? The experience of the past century argues that the opposite is the case. Institutions tend to be modified more than replaced. They do not die out unless they demonstrate actual and substantial harm, and they adapt only as much as needed to provide a viable solution to pressing problems. We should respond to the challenges facing us by strengthening an evolving framework based on our best and most successful institutions.

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Of Civil Societies and Free Markets

AT THE DAWN of the 21st century, it is quite clear that states are prosperous when their civil society is strong, and peaceful when their civic statehood is strong. It is no surprise that most of the world's poorer and strife-wracked states are those with no or little civic nature: totalitarian states, personal dictatorships and kleptocracies.

A civil society is a vast network of networks, beginning with the individual and moving outward to encompass families, community organizations, congregations, social organizations and businesses—all invented by individuals coming together voluntarily. Such civil societies beget civic states. These states are ones in which authority begins at the local and community level and gradually is built upwards to deal with wider-scale issues. Civic states are built on community assent and a feeling of participation in a local, regional and national community, and the authority of the state is not upheld by constant exercise of force but by the willingness of citizens to comply with its directives.

At the root of civil society is the indi-

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vidual. People who define themselves primarily as members of collective entities, whether families, religions, racial or ethnic groups, political movements or even corporations, cannot be the basis of a civil society. Societies that place individuals under the permanent discipline of inherited or assigned collectivities, and permanently bind them into such, remain bogged down in family favoritism; ethnic, racial or religious factionalism; or the "crony capitalism" that has marred the economies of East Asia and Latin America.

Democracy and free markets are effects of a strong civil society and strong civic state, not their causes. Over the past century, there has been a misdirection of attention to the surface mechanics of democracy, to nose-counting rather than the underlying roots of the phenomenon. It was clear that a society containing the strong networks of association characteristic of a civil society also develops the means of expressing the interests of society to the state. It is the need for effective means of expression that gave rise to the original governmental mechanisms we now call democracy. Later, intellectuals in societies that did not have a strong civil society (particularly pre-Revolutionary France) looked at societies that did (particularly England) and attempted to distill an abstract theoretical construct capturing the essence of that experience. They called this democracy, but they subsequently focused attention on their model (and its misunderstandings) rather than the essence of what they actually admired.

England's strong civic state had its roots in local expressions of civil society, a process certainly well rooted by the 14th century. These include the *grand* and *petit* jury systems, the election of various aldermen and other local officials and the quasi-official role of many civil society institutions. Selecting members of the House of Commons was one of many different mechanisms by which local communities gave or withheld their consent to the state.

The lesson of English history has been repeated many times over, up to and including contemporary events in Taiwan and South Korea. When civil society reaches a certain degree of complexity, democracy emerges. Without civil society, importing the procedures, rituals and even institutions of democracy results only in instituting one more set of spoils for families and groups to fight over at the expense of the rest of society. Democratic mechanisms no more create civil society than wet streets cause rain.

Similarly, the market economy is more than the absence of socialism or strong government; it is the economic expression of a strong civil society, just as substantive (rather than formulaic) democracy is the political expression of a civil society and civic state. Entrepreneurship in business uses and requires the same talents and often the same motives that go into starting a church, a nonprofit organization or a political party. The society that can create entrepreneurial businesses tends to be able to create the other forms of organizations as well. Often, the same individuals start several of each form at different stages in their lives. The market economy also requires a civil society with general acceptance of a common framework of laws, practices and manners. Without a general acceptance of fair dealing, an agreement on what fair dealing means, and an adjudication system that can resolve and enforce resolution of disputes, a true market economy cannot exist—as developments in the post-Soviet sphere indicate.

These realizations have immense implications for today. The rapid formation, deployment and financing of enterprises like those found in Silicon Valley are an inherent characteristic of a strong civil society. The strong role of non-company organizations (such as professional and industry associations and informal networks of acquaintances) in Silicon Valley also suggest that such entrepreneurism is a strong civil-society phenomenon. And it is

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highly likely that the innovations spawned by the current Information Revolution—including the Internet, the communication satellite and high-bandwidth fiber-optic cable—will spur innovation in the other science-based revolutions.

Indeed, the new technologies have strengthened civic states and societies, making them even more competitive *vis-à-vis* what could be called the "economic state:" the centralized nation-state in which the government draws its *raison d'être* from presiding over the transfer of benefits between generations, classes and regions. The problem for economic states, such as France, is that when creativity does arise and ventures start, the prevailing set of social, economic and political institutions retards their growth.

In corrupt and undemocratic countries with weak civil societies, family networks permit entrepreneurs to get around these obstacles—but only up to a point. They cannot expand easily beyond that. In stronger civil societies, such as Germany, that have high-trust characteristics but lack openness and flexibility in their political and social systems, ventures start but can become frustrated by bureaucratic barriers. There is a French Silicon Valley, but it does not lie in any of the technology centers planned by the French state; rather, it stretches from Dover to London, where hundreds of thousands of young French men and women have relocated to pursue their dreams without the high taxes and social burdens of the Continent.

The Economic State's Decline and Fall

STATES WITH high regulatory and tax burdens are now coming under heavy pressure as they increasingly find themselves outdistanced. The erosion of the monopoly of the economic state over most arenas of human activities is traceable to the lowering of transaction costs for international financial activities in the 1960s, which allowed major corporations and banks to take advantage of the lower tax and regulatory burdens of tax havens such as the Netherlands Antilles. Corporations became sophisticated consumers of "sovereignty services."

Over the past three decades, these trends have accelerated enormously as the breakup of old European empires gave rise to many new sovereign entities. The increase in the number of providers, combined with the falling cost of accessing them, has made sovereignty services (incorporation, ship registration, citizenship, residency permits and so on) a highly competitive market area. As devolution produces yet more sovereign states and the Internet reduces the cost of accessing the services to rock bottom, this market can be expected to flourish. The market for sovereignty services has shown great price elasticity: the users of offshore accounts, shell corporations and trust mechanisms proliferate as the transaction costs of setting up such services fall.

Consider the ability to sell products and services on the Internet, and the decline of the corporation-employment model (seen in downsizing, delayering and in the rise of "free-agent" contractors and entrepreneurs). Private Internet currencies based on strong encryption (cybermoney) will soon provide payment mechanisms that are not recorded in central clearing houses and are thus beyond subpoena power. Much of the actual economic activity in the coming era will pass (and already has passed) out of the strictly national realm. Even the most powerful nation-states are beginning to find it impossible to set currency or interest rates without reference to the world market.

Nor can the economic state count on coercive solutions to counteract this trend. It cannot tax what it cannot see. One of the products of cheap, ubiquitous computing has been the growing, worldwide availability of strong programs for encrypting data

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on personal computers. With such programs, individuals and companies can communicate and trade beyond the easy ability of governments to intercept or, if proper precautions are taken, even to be aware that the transactions exist.

States that cling unrealistically to the models of the past will find their economies becoming more like that of Italy, where a very substantial portion of GDP (over 50 percent by common estimates) is thought to be off the books and beyond the view (and reach) of the state. This becomes a vicious circle, as the declining collections force the state to cut services or raise the rates on those who still pay taxes—usually both at once. Cutting services causes taxpayers to question the value of their relationship with the government, and raising rates pushes more taxpayers further into tax avoidance. Both courses of action further reduce the ability of the state to command the sort of revenue stream it previously enjoyed.

The reduction of the effective available percentage of GDP to taxation authorities will accelerate the existing trend toward the decline of economic states. An economic state's support rests primarily on its ability to transfer resources from one sector of society to another. Such states will be subject to stronger pressures to break apart, as the ability to shift wealth declines and the social compacts they support grow weaker. Pay-as-you-go services, such as Social Security in the United States, will be placed under ever-increasing fiscal pressure. To the extent that loyalty to states depends on the delivery of such elaborate benefits, economic states will become decreasingly cohesive.

Some politicians believe that immigration of enough young wage-earners will make cuts from the retired generation's benefits needless. This contains a hidden assumption: that young immigrants, often poorer and from different cultures, will feel sufficient solidarity with the retirees to continue to support the necessary high levels of taxation. Without assimilation, this is a dubious prospect.

The decline of the economic state will mostly be a quiet and gradual affair, a revolution made of many individual decisions that, when taken together and augmented by technical developments like high-speed air travel and satellite communications, have a cumulative effect. A Canadian executive may take a job in the United States because the income tax burden is so much lower. Continental Europeans might move to London to start a company in order to escape the "social burden" of regulation in France or Germany. And a company could outsource software development to India, where the workers speak English well and are cost-competitive. These are the sort of individual decisions that will shape the emerging world.

What Lies Ahead

A GROUP OF people, the self-described "cryptoanarchists", maintains that the availability of cyberspace transactions beyond the ability of the state to monitor or control will destroy the ability of the state to maintain itself. Those who adhere to this school of thought foresee an era of essentially chaotic social organization, in which market forms predominate in both the economy and other relationships.

Although many of the individual premises of that argument have some validity, the results will not be as extreme as envisioned. Rather than ending the state, it is more likely that these changes will substantially transform its nature. Most states will either adapt to those changes, decline in wealth and importance or, in extreme cases, split apart. The ongoing technological revolutions mean that states will depend increasingly on voluntary forms for cohesion. Successful states are likely to have one or more of the following characteristics:

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•*Small populations with a relatively confined geographical spread.* Consensus and coherence are easier to achieve among a limited number of people in territorially-compact areas. This will favor small jurisdictions ranging from Caribbean island states to what Kenichi Ohmae terms "region-states." Jurisdictions larger than that will probably be structured as federations of civic states.

•*Ethnic or religious homogeneity.* Religious or ethnic ties form a strong bond for cohesion. Israelis put up with the inordinate fiscal and regulatory interventions of their state because to leave Israel is to leave the community that supports their identity.

•*Visible success.* Singaporeans put up with their intrusive government, even when few have any ideological, ethnic or religious reason to do so, because it has delivered visible prosperity and security to its inhabitants over their lifetimes.

•*Market-ordered economies with scope for individual enterprise.* Citizens will tolerate state interventions in a market economy so long as they are not visibly harmful, leave room for individual enterprise, and allow the state to perform more reasonably the services people require. Citizens have stayed in social democracies with state-protected corporations and heavy taxation and regulation, but they tend to flee state-socialist regimes in droves whenever possible. Swedes have always been free to leave their country, while East Germans were not. Yet the latter fled in great numbers when the opportunity arose (to the ultimate demise of their state), while relatively few Swedes have exiled themselves.

•*Low transaction costs for leaving.* It is far easier to maintain cohesion if unhappy persons are permitted and even encouraged to leave, rather than facing heavy penalties for doing so. Exit taxes are signs of a loser state. The Soviet Union was rightfully despised for levying one, and the United States should reconsider its plans to follow in its wake. Many malcontents will leave; more than a few will decide to return. And, having returned, they will be less discontented. Even permanent expatriates should be encouraged to maintain family and social ties with the home country. Expatriates can deliver useful business and political contacts even when they are not paying taxes.

•*Serving as the home base for a diaspora.* A diaspora provides an environment for useful commercial relationships worldwide. Having even minuscule territory with sovereign characteristics (such as the ability to issue passports) makes life far easier for members of a diaspora. The Internet facilitates personal ties and continued access to one's home culture.

•*Maintaining enough international associations to enjoy the security, economic and cooperative ties formerly enjoyed only by large states.* Iceland maintains a unique culture and language in a prosperous civil society with a population of only 270,000 people. As such, it would seem to be an advertisement for the viability of very small states. It is not at all clear, however, that it would be nearly as prosperous, secure or independent if not for its active memberships in NATO, the European Economic Area and the Nordic Council.

•*Sharing a positive, self-affirming narrative.* Many such narratives are provided by religious, national or ethnic identity. Israel has a simple and effective narrative—exemplified in phrases such as "Hear, O Israel, the Lord thy God, He is One", and "Never Again." Political entities that do not have ethnic or religious cohesion need a sophisticated and equally compelling narrative. The United States has a complex and compelling narrative—exemplified in the phrases, "We hold these truths

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to be self-evident" and "the wretched refuse of your teeming shores." Both have worked. Nations that lose the ability to sustain a positive narrative, on the other hand, lose coherence and identity, and thus voluntary citizen support. In the new environment, such nations will find it difficult to maintain revenue bases, enforce regulation or defend their citizens.

IN THIS world, civic states that are able to generate an essentially voluntary adherence on the part of their populations will dominate. The things of value that civic states provide for their citizens—principles, identity and a sense of community—are fundamentally intangible things that, unlike the economic aspects of sovereignty, cannot become commodities in the world marketplace.

Such civic states are not likely to be able (or want) to form or sustain large-area organizations with tightly integrated populations that generate a consensus to pay for and share an elaborate structure of state-provided and state-mediated benefits consuming high (33 to 60 percent) proportions of the state's GDP. The decline, decentralization and, in some cases, destruction of economic states will strengthen civic states by providing impetus to the search for newer, more flexible and less centralized mechanisms linking large-scale activities.

Do larger-scale economic areas like the European Union offer a potential solution to this perfect storm of the economic state? To the extent that such unions concentrate on the positive accomplishments of the Union, the answer is a qualified yes. The EU has had some success in promoting free movement of people, capital and ideas throughout its internal area, and facilitating cooperation in all areas where existing commonalities permit greater cooperation between similar cultures. A union that would seek to create a common economic, informational, and residency space for the citizens of its member-nations could be of benefit.

However, to the extent that the EU has ended up dictating the social policies of its member-nations, attempted (with some success) to relocate executive power from national bodies under democratic scrutiny to unscrutinized bodies on Union-wide levels, and maintained large cross-regional subsidies to buy assent, it is not only not a solution, but becomes a new type of problem in itself. The EU has become to international cooperative organizations what the economic state has become to the nation-state. By trying to become an economic state on a wider scale, the EU has increased the amount of bureaucracy, top-down planning and intervention.

Additionally, it has replaced some of the barriers with which small states have tried to insulate themselves from economic reality by a new, Union-wide set of more insidious non-market barriers, particularly in the area of rigid and expensive standards, and subsidy programs that have the same ultimately futile goal in the world economy. By trying to maintain an already strained entitlement and *dirigisme*-based political and social model, the EU will find itself under ever-increasing pressure in the coming decade because of these structural weaknesses, aggravating an increasing demographic crisis.

The Rise of the Network Commonwealth

IN DISCUSSIONS about these changes and their effects, two schools of thought seem to have emerged to date. One is a gloomy and apocalyptic vision of many small, essentially unconnected mini-states engaged in intermittent low-level conflict and confrontation, reminiscent of Hobbes's "War of All Against All." It is a vision of a few rich Singapores and many poor, conflict-torn Kosovos. This view is reflected in political works such as Robert D. Kaplan's *The Coming Anarchy*, and in the imagined worlds of futurist fiction such as Neal

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Stephenson's *The Diamond Age*.

The other could be described as a "One World via Internet" vision of increased communication (with English as the universal language), omnidirectional cooperation and networking on a world scale. Its proponents, such as the cyber-futurists of *Wired* magazine, envision that lowering the transaction costs of cooperation to a uniform level worldwide will make it equally likely for any one person anywhere to cooperate with any other person anywhere else.

In many versions, less futurist, less libertarian, but more typical of Hegelian-Kantian internationalists, it leads to a vision of world governance—of increasing integration into regional transnational organizations, such as the European Union and NAFTA, in parallel with single-purpose world-level structures such as the World Trade Organization, ultimately all merging into a mode of world governance.

If the one vision leads to a few Singapores and many Kosovos, the other, it is thought, will spawn a multicultural Golden Era, benignly presided over by an enlightened United Nations and its international organs.[1] Neither vision is likely to be realized. The breakdown of the old structures need not, and probably will not, continue infinitely. If it were to persist, the ongoing division of national communities would result in an undifferentiated and disconnected mass of ever-smaller nation-states—or, more honestly said, tribal states. The dissolution of the USSR and of the Socialist Federative Republic of Yugoslavia show what the human costs of such processes can be.

Equally, there is an inherent limit to the prospect of any form of universal or global governance in the near future. Such a government (unless it is a disguised empire of a major power imposed on the rest) would have to be constructed on a lowest-common-denominator basis to include a substantial collection of hapless dictatorships, rotten oligarchies and shabby kleptocracies. One need only look at the ineffectiveness of the United Nations in coping with many global issues to see the limits of this approach.

In between the old natural unit marking the limits of easy cooperation, namely the nation-state, and the distantly (and perhaps chimerically) glimpsed vision of universal civilization, we must interpose a middling form: a set of like, but not identical, societies sharing a number of common characteristics, within which social cooperation bears significantly lower transaction costs than without. This now-emerging entity is the network civilization—a new civilizational form enabled by networks.

Consider the visible effects of the current phase of the scientific-technological revolutions: the Internet; the communication satellite and high-bandwidth fiber-optic cable; fast, cheap intercontinental air travel; and all the rest. Even today, these have brought geographically distant areas into close proximity for many purposes. The acceleration of these technological and economic trends will make this "tele-proximity" even more significant. Collaboration in all areas—economic, educational, political—is becoming relatively easier at a distance. But as the old natural barriers to trade and communication—mountain ranges, wide oceans, and other natural barriers—no longer need be borders, the next most significant set of barriers remains—differences in language, customs, legal systems, reli-

[1]The universalists divide into the more optimistic libertarian internationalists—such as Walter Wriston or Kenichi Ohmae, who see globalization *à tout azimuth* as an inevitable product of social evolution—and those who see this world as a goal to be imposed. The latter (including most of the pro-Europeanist theoreticians, such as Charles Kupchan, Will Hutton and Jürgen Habermas) have been usefully catagorized as *transnational progressives* by Hudson Institute scholar John Fonte.

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gions, and other significant values, and particularly things like trust.

The network civilization is associated primarily on the lines of cultural contiguity: groups of nations sharing language, customs, legal systems, religions and other significant values, most specifically, trust characteristics. It has sometimes been asserted that the global adoption of English will abolish transaction costs of cooperation between civilizations, or that automated translation will do so. Although both phenomena are real, it is unlikely they will have the expected effect, for it is precisely the unexpressed web of assumptions behind the formal words that create the barriers between cooperation. "We must make an accommodation" has a different nuance in a business discussion in Lima, Ohio from one in Lima, Peru.

On the other hand, the unprecedented rapidity, cheapness and ease of use of modern telecommunications, particularly the Internet and World Wide Web, knits together culturally similar societies into what is rapidly becoming a single cultural artifact subdivided along many different lines. Consider one example: the changes in the public debates in the English-speaking world at the time of the Gulf War, the Balkan interventions of the mid-1990s and the Iraq War. The debates over the Gulf War were overwhelmingly conducted in the traditional style of the 20th century, somewhat accelerated by satellite television. That is, America, Britain and other nations each witnessed a debate among their traditional policy elites in legislatures, the media, and academic circles. The American media analyzed, summarized, and then presented their summary of "British opinion" on the matter; the British media likewise encapsulated their impression of American debate and presented it domestically.

During the Balkan crises, Americans began to be able to follow lengthy sections of the British parliamentary debate directly on cable television; the proliferation of cable services and cable channels, particularly ones devoted entirely to news and politics, suddenly made it possible for millions of Americans to follow a debate that previously would have been scrutinized in such a level of detail by mere hundreds, or at most thousands, of diplomats and academics. Although the speed at which events unfolded was far faster, Americans and British debaters spoke as much for and from their national communities as an Athenian or Corinthian might have 22 centuries previously.

By the time of the Iraq War, the proliferation of the Internet and such phenomena as Web logs—individually produced Web diaries updated daily or even hourly, with direct links to other "blogs", often linking to eyewitness accounts to current events, and to a huge host of media sources—created a situation in which political debate effectively occurred seamlessly across the English-speaking world without the intervening mediation of cultural and political elites. It was a debate segmented primarily by political position rather than by nationality. In fact, both pro- and antiwar opinion was often elaborated by group blogs, each of which were collaborative efforts stretching from London to Sydney and everywhere in between. Both because of direct contact across the Web, and by the indirect effect of subjecting traditional media to criticism and feedback of a scope, level and intensity never before experienced, political debate over the Iraq War has experienced a remarkable degree of disintermediation and popular involvement. This experience promises to become a new benchmark for future reportage and debate.

ALL INDICATIONS suggest that these patterns will intensify rather than abate. Network civilizations appear to be the next step in expanding the circle of civil society, which has elaborated itself over time from local

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and regional networks of commercial, intellectual and civic collaboration, to networks of national scale.

The Industrial Revolution made continent-spanning nation-states possible. The Information Revolution offers the possibility that civil societies may link themselves on a globe-spanning—although not universally inclusive—scale. Such is the network civilization. It can hardly fail to call forth political and economic forms to parallel its effects. The Network Commonwealth is an effort to name an equivalent form for the network civilization, and to identify its emerging precursors in existing institutions. Just as the ethnic nation was the raw material from which the classical nation-state was built, so the network civilization is the raw material from which the Network Commonwealth is being built.

This facilitates the movement of people, goods and services across borders, forming and strengthening shared cultures (both elite and popular) and experiences—for example, common publications read by the publics of all of the nations of a particular network civilization. In turn, this lays the foundation for greater institutional cooperation (in the form of common markets, permanent security alliances and joint scientific and technological projects). A Network Commonwealth would build on these existing forms of transnational cooperation and thus emerge along existing information-oriented lines of linguistic and cultural affinity. It would be defined by close trading relationships and substantial military cooperation and intelligence-sharing among its constituent states, as well as a high degree of intra-network flows of migration and investment.

The Network Commonwealth is not a nation-state of the historical type. It is not a state at all, although it has the potential to offer an alternative means for fulfilling some traditional functions of economic states. It is a means of linking smaller political communities so that they can deal with common concerns. It is a way to provide opportunities to their members—opportunities that cannot be provided by small, independent sovereignties alone, and for which economic states and empires exact too high a price.

The emergence of the Network Commonwealth as a potential form of political, social and economic organization is driven by three emerging realities.

First, *the basis of the world economy is changing from manufacturing to information*—the ideas and informational products, as well as the human minds and skills in which they are embodied. Just as agriculture remained important in the Machine Age, manufacturing (and agriculture) will remain important in the Era of the Information Revolution—but mastery of manufacturing will come with mastery of information, just as a mastery of agriculture passed to those who mastered machinery. Similarly, as military predominance once passed to those powers that led in industrialization, so too will military predominance pass to those who best master information technology.

Second, *physical space is no longer the most important factor in political association.* Cultural space is. What is the result of this shift? In an Internet-mediated economy where information is the chief product, London, Toronto, Los Angeles, Cape Town and Sydney are next door to each other—while London and Paris, Toronto and Montréal, Los Angeles and Beijing, Sydney and Jakarta are all separated by a wall of differing visions and assumptions.

Finally, *cooperation is proportional to communication as complexity increases.* Meaningful, thorough and successful cooperation is most easily accomplished among those who can communicate with the most depth and clarity—namely, those who share language, a set of political assumptions or common moral ideas. Certainly, substantial multinational and multicultural cooperation does occur in business, scientific and political circles, but

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when the focus of the cooperation is information-intensive (as in the production of software or motion pictures), it has most frequently been among companies rooted in the same linguistic communities.

All-in-all, instantaneous, flat-rate and worldwide communications, in addition to cheap long-range aviation, are forming a new topology of political space. In this new environment, physical proximity is no longer the most important factor in either trade or power projection. Combined with this are political developments, such as free-trade agreements and migration arrangements permitting people to travel, visit, study or work freely outside their native country. This is driving a transition from organization along lines of geographical proximity to structures organized primarily along civilizational lines. A further spur to the development of Network Commonwealths is that they promise to provide many benefits without the costs that economic states have historically imposed on individuals and society.

The Emerging Anglosphere

BECAUSE Britain, and subsequently the United States, experienced the Industrial Revolution and political modernity early on, the English-speaking nations have tended to be in the forefront of social, political and economic evolution and to develop particularly strong civil societies. The position of the United States in the Information Revolution and the emergence of the Internet have continued this tendency. So it is likely that Network Commonwealth structures will probably emerge in the English-speaking world quite early. Some developments to date indicate that this is indeed happening.

Internally, the Anglosphere already exhibits a web of network civilizational ties that could become the precursors of a budding Network Commonwealth. Publications like the *Financial Times* and the *Economist*, for example, effectively serve the entire English-speaking network civilization, not simply a Britain-based constituency. One can also speak of an emerging Anglosphere entertainment industry, based upon the growing collaboration of Australian, American and British directors and actors (and the use of New Zealand for film-shooting), where the final product appears on screens from Canberra to Chicago to Cambridge. Already, a high proportion of foreign direct investment—now a more important measure of economic integration than trade in physical goods—in all English-speaking countries is from other English-speaking countries.

Network civilizational ties have helped to spawn a series of common institutions. The close military relationship between the United States and the United Kingdom, once again displayed in the recent Iraq War, laid the basis for the world's longest-lasting and most successful alliance, the North Atlantic Treaty Organization. Similarly, ANZUS binds the Anglosphere nations of the Pacific in a similar mutual defense pact. Other institutional examples of the emerging Anglosphere include the US-UK-A intelligence-sharing scheme and close cooperation between American and British intelligence services; organizations that contain a substantial but incomplete set of English-speaking nations, such as the Commonwealth of Nations; and a large number of regional sets of collaborative institutions, mostly linking the three main pairings of English-speaking states (the United States and Canada, the United Kingdom and the Republic of Ireland, and Australia and New Zealand). All-in-all, there are a substantial number of British and American activities and non-trivial sets of intra-Commonwealth institutions.

U.S.-Canadian collaborative institutions are of particular interest because

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they achieve a very substantial degree of cooperation while being based on a strict understanding of national sovereignty. Unlike the European case, there is no master treaty of U.S.-Canadian integration that pledges an "ever-closer union:" neither Jacksonian Americans nor Canadian nationalists would tolerate any threat, however latent, of a permanent surrender of sovereignty. Yet the U.S.-Canada Free Trade Agreement (and its more broadly focused successor NAFTA), as well as NORAD in the defense realm, are both conspicuously successful examples of international cooperation.

ONE OBVIOUS route for further elaborating intra-Anglosphere ties would be to extend NAFTA to Australia and New Zealand, a move already under discussion among policymakers. Another would be to bring into daylight the existing US-UK-A intelligence-sharing arrangements (not formally acknowledged at present) in the form of a public mutual-assistance treaty and permanent formal organization. Such a step might assist in demonstrating a publicly-visible oversight mechanism for its controversial elements such as the Echelon data-intercept system.

Welcoming the United Kingdom and, in some areas, the Republic of Ireland into organizations formed on the armature of U.S.-Canadian collaboration is likely to depend upon the future course of European integration. The Washington-London economic and security relationship is the key relationship of the Anglosphere, considered either in economic terms or military heft. If evaluated on a dynamic scale anticipating trends in the Information Revolution, the potential for even closer British-American economic integration is substantial.

It is also a question of balance. An Anglosphere Network Commonwealth without the UK is predominantly the United States with appendages. With the UK, and particularly the financial capabilities of London, intra-Anglosphere relations are not so lopsided. Yet, given the substantial turbulence likely in European relations over the next decade due to its accelerating demographic and fiscal-structural issues, a looser Europe more open to closer UK-Anglosphere ties is more rather than less likely. Even today, after decades of British membership in the European Union, there is a substantial gulf in attitudes towards America between Britain and Continental Europe. Not only was this seen in the Iraq War, but at a popular level twice as many Britons report feeling closer to the United States than to their Continental neighbors. A recent survey by the *Economist*, largely a pro-EU magazine, showed that more Britons felt represented by the American flag than by the EU one, and far more of them identified with the United States than Europe as Britain's most likely source of help.

An Anglosphere Network Commonwealth would emerge from a series of parallel, overlapping and non-exclusive cooperative organizations. Not all Anglosphere nations would be expected to be involved in every other one. Ireland, for example, would probably find the economic and migration dimensions to be of interest, but would probably not participate in defense-related activities. Nor should a rigid linguistic-cultural test be used to exclude automatically a particular nation if its cooperation would be otherwise useful. After all, whether a particular nation is a member of a particular network civilization is in many cases likely to be a matter of debate to which there is no automatic answer. Neither India, South Africa nor even Canada are entirely English-speaking, but they all are significant actors in the Anglosphere. Still more so, India is part of the Anglosphere even though it is not primarily English-speaking. Yet its burgeoning military alliance with the United States is facilitated both by the fact

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of an English-speaking elite and, more particularly, by the British "character" and traditions of its military forces.

So it is probably more useful to define network civilizations inclusively rather than exclusively: some significant degree of English-speaking population, and some degree of institutional affinity with Anglosphere legal or governmental practices probably make it valid to include a nation in the broader definition of the Anglosphere, and thus indicate that such a nation might usefully participate in some of its cooperative institutions, including an emerging Network Commonwealth.

What Spheres May Follow?

THE MORE the highest value in international trade shifts from natural resources, agricultural commodities and low-tech manufactured goods to information products and services delivered via the Internet, the more lines of trade and cooperation will fall along linguistic-cultural lines rather than geographic ones. This is true not only for the Anglosphere. Similarly, there has been an increasing trend for Spanish-language information trade (particularly in electronic entertainment) to flow seamlessly through what, by extension, could be dubbed the "Hispanosphere:" an elastic entity that includes Los Angeles and Miami as well as Madrid, Mexico City and Buenos Aires.[2]

Indeed, the Spanish-speaking world is another prime candidate for the creation of such a Network Commonwealth in the near future. Spanish-language information productions (not only books and periodicals but television programs and movies) flow freely across borders. Spanish-language literature is enjoyed across national boundaries, and something like a pan-Hispanosphere intellectual dialogue exists. The Spanish-language Internet world lags behind that of the Anglosphere, for obvious economic reasons, but similar trends can be observed within that world.

In the economic realm, Spanish companies played a substantial role in the modernization of Latin American economies during the 1990s and can be expected to play a similar role in the future. Spain is now poised to become the world's leading investor in Latin America. This is a new phenomenon, as Latin Americans since independence have looked to France, Britain and America for foreign economic participants. Yet it is likely to continue, and perhaps accelerate, depending partly on whether the European Union's structural evolution begins to create obstacles to Hispanosphere economic cooperation.

Given its demographic vigor, the Hispanosphere could also emerge as another network civilization. Although there has been relatively little effort to create formal institutions to date, due partly to existing intra-Hispanosphere rivalries, the cultural and economic spheres offer obvious places to start—and there are proposals to turn the annual Ibero-American Summit into a more permanent forum. Additionally, Spain, like Britain, will eventually have to decide to what extent its European ties can be permitted to limit its ability to collaborate with its overseas linguistic compatriots. Both may find that a looser definition of the European project is attractive as a consequence. Indeed, for Spain, a freer movement of peoples from Latin America could present a more tolerable solution to its share of Europe's demographic challenges than its current course of action—dependence upon a flow of migrant labor from North Africa.

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[2]Darrin McMahon discussed "The Other Transatlantic Tie: Thoughts on an Hispanosphere" for the Foreign Policy Research Institute's *Study Group on America and the West* on October 20, 2003.

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Along with the possible emerging Hispanosphere, France supports a substantial apparatus—*La Francophonie*—for pan-Francophone relations that could serve as the nucleus for a Francosphere Network Commonwealth. And finally, the increasingly close connections between Brazil and the former Portuguese states of Africa foreshadows the possible development of a Lusophere. Such ties would be an asset out of proportion to Portugal's other economic opportunities.

MIGHT THE Network Commonwealth ameliorate situations in which ethnic populations spill over international borders? The Commonwealth of Independent States—and now Putin's current program for a common economic space that includes Belarus, Ukraine and Kazakhstan—has been suspect as a stalking-horse for a renewed Soviet Union or revived Russian empire. Similarly, Chinese interest in Taiwan and Chinese-populated states such as Singapore, and Turkish ambitions in the Turkic-speaking states of Central Asia have also been viewed with suspicion. Yet in each case, a Network Commonwealth approach might provide an outlet for these ambitions without presenting the problems that any effort at state-building or incorporation would arouse.

Can the European Union itself be considered a Network Commonwealth of sorts? It has abolished state monopolies, opened protected markets and has greatly increased the average European's freedom to travel, reside, work and compete throughout its territory. Most importantly, it has served to keep many of its politically more marginal members, such as Spain or Greece, from backsliding into dictatorship—thereby creating an incentive for shaky Mediterranean, central and east European democracies to join. But the answer is no. It is difficult to envision the very broad Union, now realized with the accession of the central and east European states, ever successfully replicating the level of integration of France and Germany from the Azores to the suburbs of St. Petersburg. The inherent problems in defining a "common European culture" that includes all Union member-states but excludes the Americas and Australasia make the idea of a wider European state or a "European Network Commonwealth" highly problematic.

What is more likely to emerge over time is a European Union structure that enables its member-states to develop Network Commonwealth ties with their non-European civilizational partners. The most likely arrangement—to oversimplify brutally—is a "variable geometry" Europe with a tight federation of the Rhenish states (grouped around the Franco-German core) much more loosely linked with the four historically "exceptionalist" areas: the British Isles, Iberia, Scandinavia and east-central Europe. None of these areas, for various reasons, ever experienced the full charms of the Colbertian state, and each thus retains a core of resistance to implementing such institutions on a wider scale. Whether the tight federation or the wider, loosely linked trade area bears the name "European Union" is a taxonomic quibble.

Alternatives to World Governance

EVOLUTIONARY conservatism argues that organizing closely-linked sovereign nations into a loose and flexible structure is a less costly step than organizing wide-scale, rigid unions. The evolution of political forms thus favors the Network Commonwealth. This is demonstrated by the fate of proposals like that of author Clarence Streit in the late-1940s to form an "Atlantic Union", a permanent federal union of the Atlantic democracies. Although this idea had potential benefits, it also had a number

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of real problems, many of which have also been encountered in the process of building the European Union. Almost all of the benefits of the proposed Atlantic Union promised could have been, and in fact later were, delivered by less radical mechanisms that neither imposed the costs nor met the resistance that a federal union threatened. Many of these alternative mechanisms are the same institutions that promise to become the sinews of a Network Commonwealth: free trade agreements, alliance structures and cooperative organizations.

As returns from revenue collections (income, capital and sales taxation) decline, the economic states that once derived direct benefit from their large scale will find such benefits increasingly elusive. Rising costs and falling benefits will foster their devolution or breakup.

Still, benefits to large-scale organization remain. They include mobility of productive people over wide areas and cooperative pooling for defense or scientific research purposes. These benefits can be realized more cheaply by Network Commonwealth arrangements than by maintaining large-scale economic states or by trying to form purely economic unions. The proposal to form a free-trade agreement between NAFTA and the European Union (most recently raised by British Chancellor of the Exchequer Gordon Brown) is fine as far as it goes. But new forms of common economic space must also be realized to facilitate the collaboration of software, media, financial services and other high-value information products among countries that are information neighbors. NAFTA, the EEA and the proposed NAFTA-EU link may ultimately have more value in the future as means of linking different Network Commonwealths, rather than as proto-commonwealths in themselves. NAFTA's true vocation may be to link the communities of Shakespeare and Cervantes rather than merely serve as a means of allowing the sale of cheaper tomatoes in American supermarkets.

Rather than problematic schemes of universal transnational governance, associated commonwealths, achieving more modest goals more effectively, could be the prevailing political form of international organization in the 21st century. □

The French economist, Michel Albert, was right when he drew the great capitalist divide not down the Atlantic but down the English Channel, between the "neo-Americans" and the "Rhine model." Though his divide was between the collectivist corporatism of Continental Europe and the individualism of Anglo-America, it was also cultural. Mr Blair's ambition to be "the bridge between Europe and America" is absurd. He is an "American", leading a country which may not be a 51st state but which has always been part of a centuries-old confederacy. That confederacy may have split in the 18th century, but it has drawn sustenance from that split and has exchanged people, ideas and security ever since.

Britons still comprise the largest category of legal immigrants into America each year. There are 35,000 Americans living in London and 35,000 Britons living in New York. These two most dynamic world cities are Siamese twins. Their economies depend on the same industries of finance and leisure, rising and falling in unison and largely independent of their hinterlands. They are both global people magnets. New York's greed is London' s greed; London's art is New York's art.

I cannot turn on a radio station and not hear an American voice. Britain and America enjoy a shared cadre of novelists, playwrights, architects and musicians. Judging the Booker Prize three years ago, I found the exclusion of American-born authors absurd. English literature is that of a global diaspora. Today's most dynamic art form, cinema, depends on a single transatlantic talent pool, as does most popular entertainment. . . . Continental Europe, rich though it is, might be on another planet.

—Simon Jenkins, *Times* of London, November 19, 2003

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Scoring the Iraq Aftermath

Michael O'Hanlon & Adriana Lins de Albuquerque

HOW CAN WE tell if we are making progress in Iraq or not? If you already know what answer you want, it is easy to find someone to provide it. If you oppose the war, locate a prominent Democrat; if you prefer good news, find a Bush Administration official. In both cases, you are likely to hear accurate but, alas, highly selective and incomplete data. How do we move beyond the war of competing factoids to assess actual progress and to know when policies need to be adjusted?

One of the main obstacles to this is that the Bush Administration has been suffering from a perceptions gap of its own making. Prior to the war, administration officials frequently portrayed post-Saddam Iraq as a land of milk, honey, oil and bouquets being thrown at the feet of American soldiers as they packed their bags to head home quickly after the war. Another obstacle to a clear understanding of postwar Iraq, however, is the media. Negative news reports about individual acts of violence that are not placed in perspective by reporters, political analysts or the public at large greatly complicate matters. What is needed, therefore, is a framework within which we can assess trends over time, suggesting a means of monitoring future progress.

To be sure, this approach has its limitations, and they are stark. The Vietnam experience should remind us that assessing progress in any counterinsurgency through use of statistical measures is dangerous: the data can be incomplete, wrong or simply unrepresentative of actual progress in the broader political struggle that any counterinsurgency operation must wage. Body counts and estimates of "crossover points" at which one is killing the enemy faster than it can regenerate its ranks are particularly problematic.[1] But by establishing as broad a portfolio of data as possible, scrutinizing it for accuracy and remembering caveats about how it should be interpreted, one can still do better with data than without it.

The War of the Factoids

IS THE counterinsurgency and nation-building mission in Iraq going well or badly? There is substantial evidence on both sides of this question. That fact, plus the high political

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[1]For a good critique of how these kinds of metrics were previously misused, see Andrew Krepinevich, *The Army and Vietnam* (Johns Hopkins University Press, 1988)

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stakes in play as a presidential campaign approaches, explain why there is such discord in the national debate on the subject.

Clearly the Iraq mission today is encountering difficulties. Four tragic bombings dominated the August news, killing the UN's top administrator in Iraq and one of the country's most important moderate political leaders. A Governing Council member, Akila al-Hashimi, was assassinated in September, and a deputy mayor of Baghdad was killed in late-October. Oil outflows were slow to resume in quantity and remained below pre-war levels six months after the fall of Saddam. Economic opportunity in Iraq continues to be mediocre for most and unemployment remains high. By September, more Americans had died since May 1, when President Bush landed on the U.S.S. Abraham Lincoln to declare major combat operations over, than during the overthrow of Saddam, and the toll has continued since. Attacks on U.S. forces have steadily increased in number. Increasing ambushes of supply convoys and greater use of improvised explosive devices by Iraqi insurgents were among the more disturbing trends of the late summer and early fall. Synchronized truck bombs in Baghdad and a rocket attack on the Al-Rasheed hotel while Deputy Secretary of Defense Paul Wolfowitz was staying there in late-October capped off a month in which U.S. troop casualties from hostile fire reached a level not seen since July. And according to comments in early-October by Lt. Gen. Ricardo Sanchez, head of U.S. ground forces in Iraq, "The enemy has evolved. It is a little bit more lethal, little bit more complex, little bit more sophisticated and, in some cases, a little bit more tenacious."[2]

That said, the Bush Administration is at least partly and perhaps even mostly right when it announces that economic, political and security progress is being made. Indeed, as the administration claims, most of Iraq is now generally stable. By October's six-month anniversary of the fall of Saddam, national electricity levels had reached pre-war levels and were approaching that objective in Baghdad. Several thousand small businesses had reportedly opened by September—a modest number in a country of Iraq's size, to be sure, but a very healthy step in the right direction. Iraq also had an independent central bank and a new currency by October.

Politically, most Iraqi localities had their own indigenous ruling councils. The national Governing Council had been named and, in turn, chosen a cabinet. Nearly all of Iraq's 400 courts were functioning. All 65 institutes of higher learning and all 240 hospitals, as well as almost all primary and secondary schools and 1,200 health clinics, had also opened.[3] Water and phone services were about 80 percent of their prewar levels.

Equal degrees of progress are being made with regard to security. Several thousand Iraqi resistance fighters and almost three-fourths of the leaders on the famous deck of cards, are now dead or captured. Iraqi security forces numbered more than 100,000 personnel in early November—including police, army, border guards and a civil defense corps—with steady progress underway toward achieving a total near 200,000 within a couple years.

Toward a More Complete Picture

BOTH THE positive and negative spin of what is happening in Iraq are largely anecdotal—compilations of convenient facts with little analytic framework for putting them together. How do we know which news,

[2]Theola Labbe, "Enemy Is 'More Lethal', U.S. General Says, *Washington Post*, October 3, 2003, p. 15.

[3]See for example, Ambassador L. Paul Bremer, "Iraq Six Months Progress Report: Talking Points", October 9, 2003, available at www.cpa-iraq.org and www.defenselink.mil.

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the good or the bad, is more important? How do we detect trends? And how can we assess the importance of being so exposed internationally, with little help from key friends and allies, in the mission in Iraq?

There are no definitive answers to these questions, of course, but a few rules of thumb can increase the odds of seeing things clearly. The first is to track all the relevant data regardless of whether one wishes to sell optimism or pessimism. The second is to monitor all of this information over time so as to detect trends. And finally, with as much data in hand as possible, one must attempt to place it into proper perspective. This, however, requires a broader argument about how to succeed in a counterinsurgency. Such knowledge can help make the disparate data more than the sum of their confusing and contradictory parts.

A successful counterinsurgency must have security and economic dimensions. In the security sphere, it is necessary to try to assess progress in the counterinsurgency: namely in neutralizing resistance forces, reducing crime rates and in building Iraqi security services. In the economic realm, it is necessary to have information relating both to quality of life—availability of water, electricity, cooking gas and so on—as well as to employment and economic recovery. Certainly, some information is more readily accessible than other kinds at this time, meaning that all calculations are works in progress.

TABLE 1: SECURITY INDICATORS IN IRAQ

Category/Month	April	June	August	October
Top 55 Ba'athis Still at Large	40	23	16	15
Typical Number of Daily Attacks on U.S. Troops	5–10	6	15	30
Available Iraqi Security Forces	0	25,000	48,000	85,500
Total U.S. Troops Killed Stabilizing Iraq	22	29	36	43
Annualized Murder Rate in Baghdad per 100,000 people (DC Rate = 46 per year)	100	135	185	140

TABLE 2: ECONOMIC TRENDS IN IRAQ

Category/Month	April	June	August	October
Unemployment Rate (%)	60+	60+	50+	50+
Oil Production Nationwide (million barrels/day)	N/A	0.7	1.4	2.1
Electricity Produced Nationwide (Prewar: 3,300 megawatts)	0	3,200	3,300	3,900
Electricity Produced in Baghdad (Prewar: 2,500)	N/A	780	1,280	1,250

The two tables below show snapshots of various data in these two categories, most of it provided by DoD and the coalition provisional authority, for the months of April, June, August and October. Again, the user should be warned about the difficulty of assessing progress in any counterinsurgency through statistical measures, but some data is probably better than no data—or selective, tendentious data—when trying to reach a broader judgment about how the war is going.

A third category of effort in any counterinsurgency, politics is harder to track using quantitative data. That is especially true because Iraq has local governments throughout almost all of the country at present, in addition to a national Governing Council. Hence, future progress will be dependent more on how well Iraqi leaders do their jobs and how quickly they establish legitimacy among the population than on increases in their ranks. An imperfect proxy for this is polling data showing how the Iraqi population feels about the for-

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eign presence in its country and about the general direction of political life within the country. Here the verdict remains mixed. Recent Gallup polls show that a clear majority of Iraqis want coalition forces to stay and believe that life will gradually improve in the post-Saddam era. But the majority also feels frustrated and worried about internal political trends, and, as should be quite obvious, a sizeable minority with the potential to do great harm opposes the entire course of events.

There is also a question of long-term sustainability. In the economic sphere, for example, a number of businesses have been created, and market activity is much more lively. Available data, however, do not yet show a substantial increase in employment levels. Nor can they demonstrate that Iraq yet has a notably healthier economic base that could survive the departure of the foreign presence and its associated large but artificial economic stimulus. The direction these trends take in the coming months will say much about Iraq's prognosis, but one principal question will linger: How do we evaluate progress when, as is likely to be the case, some data remain promising and other data remain troublesome? A broader analytical framework for understanding counterinsurgency is needed.

Principles for Waging Successful Counterinsurgency Operations

IN CONDUCTING a counterinsurgency, one is faced with the dilemma of defeating dedicated guerrillas while simultaneously reducing the proclivity of others to join their ranks. In theory, if the insurgent loss rate exceeds its pace of recruiting, time should be on the side of the counterinsurgency. In practice, as we learned in Vietnam, measuring these two respective trends is very hard. Accurate determination of the Viet Cong "crossover rate" (where losses exceeded new recruits) was extremely elusive.

The most numerous element of the insurgency facing U.S. troops is made up of former Saddam loyalists or Ba'athis—and they are a limited lot. Moreover, they are diminishing with time as coalition forces attack and arrest them. For example, in the region north of Baghdad, now run by General Ray Odierno's 4th Infantry Division, some 600 fighters have been killed and 2,500 arrested in recent months (with most of the latter remaining in custody). To be sure, not all of these are Ba'athis, but, with such attrition rates, a group of fighters that probably numbered 10–20,000 at peak strength will decline significantly over time. Around Tikrit, Hussein's hometown, and within other parts of the "Sunni triangle", for example, former regime loyalists have been weakened such that they require reinforcements from other parts of Iraq to continue many of their efforts.

That the number of insurgents will decline over time is especially true because the regime remnants have no appealing ideology with which to attract more members. We could, however, so mishandle the operation as to make anti-Americanism that rallying ideology. That prospect remains unlikely at present, given our plans to intensify reconstruction efforts and turn over power quickly to Iraqis. But the CIA has recently grown at least somewhat worried about the possibility of a snow-balling anti-American resistance movement, so the trend must be carefully monitored. At present, there is no nationalist ideology likely to appeal to most Iraqis of the type western powers faced in Algeria, Vietnam and elsewhere. Most Iraqis do not feel openly hostile to the U.S.-led foreign presence. Indeed, some 70 percent are optimistic about the country's future prospects according to recent polls. They are unlikely to join the cause of killing Americans if we can make progress on most material measures of success while also starting down the path toward withdrawal from Iraq.

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Despite a dubious decision by Ambassador Paul Bremer to disband the Iraqi army and ban even mid-level Ba'athis from positions of influence, the Bush Administration generally has a sound strategy of trying to exonerate most Iraqis who cooperated with the former regime while punishing only the top leadership. As for the latter, most Ba'athis from the famous deck of cards are now off the street. Many second-tier loyalists of the former regime are also being arrested or killed daily. Common criminals are numerous, especially since Saddam opened the prisons last year, but they are unorganized and increasingly overwhelmed by coalition troops and the growing Iraqi police force.

The most serious problem facing the U.S. counterinsurgency come from jihadists, including members of Ansar Al-Islam and possibly of Al-Qaeda. This is perhaps the greatest reason for long-term worry, but there are means to deal with them. First, we can improve border security to force the jihadists to enter Iraq in smaller numbers, a policy already being implemented. Second, we can train Iraqi border guards to help. This policy is also being implemented, even if the 10,000 or so Iraqi border agents now fielded may be too small. (These numbers are more appropriate for patrolling intra-European borders than Iraq's much rougher and longer frontier.) Third, to the extent that the Ba'athi resistance can be contained while stability and a decent quality of life are restored to the country, coalition forces will be more likely to benefit from human intelligence—that is, from Iraqis providing information about the identities, locations and plans of terrorist elements. This last piece is, of course, a tall order, and it is another way of saying that success will develop its own momentum (if we can get to the point where we are widely perceived as succeeding).

The growing number of Iraqi security forces are already helping with patrols and protection of fixed infrastructure. This makes the overall operation more indigenous and thus presumably more legitimate in Iraqi eyes, while also reducing the number of missions putting U.S. troops at acute risk. In addition, U.S. troops are following much better practices to prosecute counterinsurgency operations than they did in Vietnam. Firepower is generally being used quite carefully, even if mistakes such as the accidental killing of some ten Iraqi policemen in September are sometimes made, and even if the coalition's initial raiding tactics were sometimes culturally insensitive. Regional commanders are hiring Iraqis to help with recovery and reconstruction, a key kind of foreign assistance effort that Congress must continue to support. Moreover, while insurgents have displayed the full range of standard terrorist tactics—truck bombings, assassinations, use of remotely detonated explosives, mortar and rocket attacks—they are not very sophisticated. Taken together, these factors provide grounds for guarded optimism.

THERE IS still much that can go wrong, however. A few more pivotal assassinations or devastating truck bombings of the type witnessed in August—or even several more periods of violence like those witnessed in late-October and early-November—and a sense of pessimism about the prospects of the U.S.-led effort could snowball, making it easier for Iraqi extremists to incite the public to violence. More delay in the economic recovery could have similar political effects. Foreign jihadists might be able to enter Iraq by the thousands and avoid quick detection. They might even escalate their tactics beyond the relatively simple and standard ones now in use. Iraq's Shi'a population may tilt in fundamentalist directions. More likely, Sunni Arabs, less than 20 percent of the population but

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accustomed to having their own kind run the country, could resist a democratic form of government in which their influence (or at least their access to the spoils of power) may appear less than it was under Saddam.

But, once one accepts we are still at war and attempting what is among the most complex missions ever undertaken by the United States, the state of affairs in Iraq and recent trends in that country do not look so disconcerting. Things are gradually getting better even as we progress toward an exit strategy that should further defuse extremist sentiment. We have gotten fairly good at counterinsurgency and nation-building. (The latter skill of the U.S. military, ironically a legacy the Clinton Administration left to the Bush Administration, is proving enormously helpful right now.) Finally, the Iraqi insurgency is unlikely to have the broad appeal that has made certain guerrilla movements historically successful. All of these conclusions, however, are subject to revision as further events and information roll in, and we would all do well to view the facts with open minds—regardless of where our views on Iraq stand at present. If this mission does eventually show signs of failure, we must react and adjust our policies promptly, because failure in Iraq is not an option. □

Mission Accomplished—Truly

"Success will be if there's a private sphere where they have some real choice in what they do with their lives, and a public sphere where they can have some control over their destiny and the state doesn't visit arbitrary violence on them", he said. "This means some type of democracy. It won't be Jeffersonian democracy, with farmers plowing the godforsaken sands outside Nasiriya. Some would say, 'That's modest.' But it isn't. It will be huge. And it'll be something uniquely Iraqi. They don't have to love us, or even like us—why should they? We liberated them, but the fact that we had to do it adds to the trauma of coming out of decades of totalitarian rule. It's difficult for us. We look at ourselves and say, 'We have really good motives and try to do the right thing and why don't people appreciate it?' That's an American thing. Few Iraqis are ever going to step forward and say, 'I really love the [Coalition Provisional Authority].' They'll have to live here long after we're gone. They have legitimate interests, and we shouldn't treat them as children—they're not. If in five or ten years they can look back on this period and believe that they're better off, then things will be okay. We'll be able to move beyond this period to where things are normal between the United States and Iraq." He paused and shrugged. "In a way, success will be if the Iraqis don't hate us."

—Drew Erdmann
Former Acting Minister of Higher Education of Iraq,
as quoted by George Packer, "Letter from Baghdad"
The New Yorker, November 24, 2003, p. 85.

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Does the United States Have a European Policy?

Gerard Baker

SINCE THE earliest days of the European Union, at the outset of the Cold War, it has been an axiom of U.S. foreign policy that an integrated Europe is in America's global strategic interest. The central theater of world war twice in a generation and the expected theater of a third conflict, fractious Europe cost the United States more in blood and treasure than any region on earth in the republic's history. What could better fit U.S. national security goals than the prospect of an ever closer union of a growing number of European states in which ancient enmities, national rivalries and ideological conflicts were submerged in a pan-European identity based on the same principles of democracy and free markets that have animated America's own success? There is too, in the American geopolitical psyche, something gloriously redolent about the spectacle of Europeans coming together to forge a common entity, just as Americans themselves coalesced from fissiparous states nearly two centuries earlier.

It was Dwight D. Eisenhower, the liberator of Europe, who articulated this spirit most emphatically more than half a century ago. In a July 1951 speech in London—five years before the founding of the European Economic Community, the forerunner of the European Union—the general told an audience of diplomats and politicians of his dream of a unified Europe. In a letter a few days later to his friend and adviser Averell Harriman, Eisenhower observed, "I most fervently urged the formation of the United States of Western Continental Europe." Eisenhower's presidential successors never went quite so far in their enthusiasm, and the U.S. commitment to the European project has seemed more rhetorical than practical at times.

But Washington repeatedly stated its belief in a united Europe—a Europe "whole and free", as President George H. W. Bush put it in 1991. It publicly applauded each move toward deeper European integration, as western Europe moved from coal and steel community to common market to single market to single-currency area. As the union acquired increasing political saliency and began to find a voice in foreign and security policy, the United States continued to welcome its role in world affairs. There were disagreements aplenty—over Vietnam in the 1960s, intermediate nuclear forces in the 1980s and the Balkans in the 1990s, to name just a few. But Washington never actively sought to foment disagreements within Europe.

All that changed this year with the

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explosion of transatlantic tensions over Iraq. As European nations themselves split apart on whether to support the U.S.-led military action, the Bush Administration happily highlighted the differences and pointed up the distinctions between "Old" and "New" Europe. As the French government enunciated a Gaullist vision of Europe acting as an alternative pole to the American superpower, the United States urged other European nations to reject France's agenda for Europe. When the initial hostilities were over, U.S. officials lavished praise and new responsibilities on loyal allies such as Britain and Poland and talked of a new strategy of "punishing France and ignoring Germany."

In Europe, powerful bureaucratic and political forces are pressing hard for a much tighter alignment of the member-states' foreign and security policies. As Europe debates its first ever draft constitution that aims, among other things, to institutionalize more effectively a common European foreign policy, it does so in an atmosphere tinged indelibly by the Iraq debacle. A number of European political leaders are increasingly convinced that the Bush Administration is actively seeking to divide Europe, to undermine the institutions and relationships that underpin European unity. U.S. officials from the president down insist that the United States remains a friend to the European project, but not on any specific terms.

Many questions thus arise about the present state of U.S.-European relations. Has U.S. policy toward Europe really changed? With the end of the Cold War and the September 11 attacks, have U.S. priorities become so altered and divergent from European goals that the United States no longer sees a strong interest in working with a Europe on its march to an ever closer union? Did the United States ever truly believe in a fully united Europe? These questions boil down to one fundamental query: Does the United States have a European policy?

WHAT THE Iraq debacle clearly demonstrated for U.S. policymakers was a proposition that had been tested in theory many times before but never in such stark reality. This proposition was that it may sometimes be better to have a Europe divided on a crucial issue of America's national interest than one in which a wholly united Europe takes a hostile or critical line against the United States.

During the Cold War, European unity and transatlantic cohesion was so self-evidently critical to defeating communism that the United States could not for long have pursued a policy that had the effect of dividing Europe. In the immediate post-Cold War world, dealing with a potentially unstable post-communist empire in the east, enlarging the communities of free nations—NATO as well as the European Union—became the central priority of U.S.-European policy. Indeed, there were early tensions with European allies over the EU's apparent eagerness to place deeper integration above expansion in its post-Cold War agenda. It was at least in part aggressive U.S. promotion of the enlargement case that gave impetus to the process that will result next year in the admission of ten new members to the union, most from the former communist countries.

Continuing EU integration also seemed to hold new potential benefits for the United States. The most obvious advantage was in the field of defense capabilities. With the changing nature of threats in the post-Cold War era, familiar U.S. complaints about "burden-sharing" took on new urgency. Greater defense cooperation among the Europeans would lead to improved

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interoperability, economies of scale and a division of labor that would greatly enhance the effectiveness of NATO and reduce dependence on U.S. forces in the old European theater.

But there were potential benefits for the United States from economic integration too. American companies seemed to have much to gain from the consolidation of the single market. The advent of the euro in the late-1990s was also widely welcomed by U.S. corporations. It was seen as a spur to inward investment by Americans and an opportunity to create the kind of large single currency area that was so instrumental in the U.S. economy's successful performance over two centuries.

Now, in the immediate post-Cold War years, there are signs that the salience of European integration for U.S. policy were overstated—even in the relatively halcyon days for transatlantic relations of the Bush 41 and Clinton administrations. In economic terms, the arrival of the single market was by no means seen as an undiluted good for the United States. The year before the market's completion in 1992, there was much angst in the United States that a protectionist "Fortress Europe" was possibility emerging. When the single market itself appeared less threatening, new questions arose about the next phase of economic union. The Clinton Administration's senior economic policymakers harbored deep doubts about the viability and sense of monetary union. Though public expression of these doubts was muted, U.S. and European officials acknowledged at the time that the United States was not persuaded the eurozone would be an effective single-currency area.

More visibly, it was in the Clinton Administration that the first real doubts about a separate European defense identity emerged in the United States. Tensions multiplied as the European Union embarked on its European Security and Defense Initiative (ESDI) after 1997. The United States was deeply troubled by the prospect that a caucus within NATO of increasingly independent-minded Europeans might emerge and undermine the institution's ability and political willingness to operate as a full transatlantic alliance. Clinton Administration officials upbraided their British counterparts when Tony Blair and Jacques Chirac agreed at the 1998 Saint-Malo summit to push for a separate European military force.

Thus, by the final years of the Clinton Administration, the end of the Cold War was not only beginning to dissolve the glue of the transatlantic relationship but was also weakening the apparent advantages of European integration for the United States. It was no longer self-evidently in America's national interest. Put simply, Europe was less central to U.S. national security. That meant inevitably that a single European voice was less important to U.S. policymakers. Then came George W. Bush.

EARLY expectations in Europe were edgy about what the new American president might make of the EU. Though not known to have any particularly strong views on the subject himself, Bush surrounded himself with advisers who were of a distinctly Euro-skeptic hue. At the Pentagon, Donald Rumsfeld and Paul Wolfowitz were on record criticizing some European governments that repeatedly acted as an impediment to the U.S. pursuit of its global priorities. At the State Department, Colin Powell was liked and admired in Brussels, but the appointment of John Bolton as an undersecretary alarmed European integrationists. Known for his trenchant views on the virtues of European cooperation, Bolton had written that ESDI

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was a "dagger at the heart of NATO." Finally, Vice President Dick Cheney was not viewed as especially attached to the Atlanticist agenda.

Nonetheless, when confronted with the opportunity to reject a key part of Europe's ambitions at the start of his administration, Bush chose not to. At his Camp David summit in February 2001 with Tony Blair, Bush agreed to drop U.S. objections to European defense plans (now called ESDP). On the understanding that ESDP was fully compatible with NATO's existing structures, President Bush showed himself to be more Euro-friendly than the Clinton Administration in this regard.

Four months later, on his first presidential trip to Europe, Bush again struck a conciliatory tone. Though his early months in office had been marked by tensions with the Europeans over missile defense and the Kyoto global warming treaty, Bush seemed willing to reaffirm America's commitment to the virtues of pan-European policies and cooperation. In a June 2001 speech in Warsaw, Bush repeated his father's pledge to help build a Europe "whole and free:"

> My nation welcomes the consolidation of European unity, and the stability it brings. We welcome a greater role for the EU in European security, properly integrated with NATO. We welcome the incentive for reform that the hope of EU membership creates. We welcome a Europe that is truly united, truly democratic and truly diverse—a collection of peoples and nations bound together in purpose and respect, and faithful to their own roots.

Administration-watchers assumed from these early pronouncements that the administration's Atlanticists, led by Colin Powell at the State Department, had won an important round in their continuous battle with the more unilateralist Pentagon.

But this assumption proved false. In those first six months of the administration, it was already apparent that U.S. policy toward Brussels was shifting. In fact, the deal with Blair at Camp David demonstrated that European policy had already been downgraded by the administration. Bush was essentially prepared to treat his concerns about European defense cooperation as a bargaining chip to be exchanged for Britain's support of America's much greater goal: creating a missile defense system to protect the United States from threats emerging outside Europe.

In the destinations for that first trip, there was an intriguing sign of the already shifting priorities in the Bush team's approach to Europe. Bush chose not to go to France or Germany, the pillars of what would soon be derided as "Old Europe", but to Spain, Sweden, Poland and Slovenia (with merely a day trip to Brussels for a NATO summit). This was the "New Europe" the administration would soon demonstrate it was eager to encourage. In short, long before the Iraq crisis and even before the September 11 attacks, there were clear signs that the U.S. commitment to a united Europe was already attenuated. In part, this stemmed from the Bush team's ideological lack of sympathy for the reality of a single European political approach. Mainly, however, it was because, again, a united Europe had ceased to have the salience it held in the Cold War.

Iraq crystallized these trends. First, America's determination to deal with global threats as it perceived them after the terrorist attacks of 2001 meant it would seek allies where it could find them. The United States, under assault from terrorists and under potential assault from rogue states, was not likely to allow European unity to become a constraint on its actions.

William Kristol, editor of the *Weekly*

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Standard and a leading neo-conservative close to the Bush Administration, puts it as follows:

> Any serious policymaker cannot simply say "Well, as a matter of theology, we believe in a united Europe . . . and therefore that's going to drive our policy." It would be irresponsible.[1]

This can be thought of as a kind of passive opposition to European integration. Insofar as the Europeans want to unite around a policy that supports us, it says, then we are happy to assist in the creation of a united Europe. But if the Europeans are divided, of course we will extend support to those who side with us and withhold it from those who do not.

But this gives rise to a critical question: In addition to this passive opposition to European unity, does the United States now favor an active opposition? Does the United States now believe, after the experience of the last year, that a united Europe could actually not only cease to be a reliable source of assistance but might actually try to block the United States from achieving its goals? This was, after all, the more or less stated view of the Chirac government in France—to build an alternative source of global power. If that is how the United States sees the prospect of a united Europe, then the administration is likely to adopt a much more aggressive stance against European integration.

There are clearly those within the Bush Administration—John Bolton at the State Department, others at the Pentagon—for whom the events of the last year have confirmed all their suspicions that a unifying Europe is a menace to U.S. strategic objectives and should be blocked. But the drift of Bush Administration policy does not yet seem to be moving fully in this direction. Other senior policymakers at the fulcrum of the administration's evolving debate insist that the Iraq experience does not necessarily suggest those who opposed the United States will prevail in an internal European debate and dictate the direction of a single European policy, should one ever emerge. These officials pin their faith in European virtue on a belief that a united Europe will adopt an approach to the United States that is closer to Tony Blair's vision than Jacques Chirac's. "It is no longer obvious that European policy is being driven by the historic engine of France and Germany", a senior administration official told me in November. "Look at Britain, look at Spain, look at Italy, look at Poland, look at Denmark. France and Germany are not necessarily the future." This same administration official adds that, in any case, America's options are rather limited: "What am I going to do about [European integration] if I don't like it? Scream and yell? That would have absolutely no effect. The chances are that efforts to undermine European unity would have the opposite effect."

NEITHER OF these assumptions seem watertight. Basing policy towards Europe on the hope that its steadily evolving foreign policy will be driven by a coalition of U.S.-friendly countries such as the UK, Poland and Spain looks like ahistorical, wishful thinking. The pattern of EU integration is that it is driven by the Franco-German alliance at its heart, aided and abetted by bureaucrats in Brussels. Nothing that has happened recently suggests this is changing.

Nor is it true that Washington lacks options—it need not passively stand by

[1]Comments delivered at a Brookings Institution conference on U.S.-France relations, May 2003.

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and watch this process unfold.[2] After all, most ordinary Europeans are aghast at the sovereignty that has already been handed over to Brussels. European integration is being driven by political elites rather than popular pressure, and there is growing evidence pointing to the uneasiness among the general public.

So, what can the United States do?

First, it should temper its enthusiasm for the development of stronger European military capabilities. Americans may laugh at recently announced plans for a Franco-German-Belgian-Luxembourg core EU military alliance, but the United States should continue to oppose a separate European identity within NATO. This also means that the United States should strengthen its political and military ties with the new NATO members from central and eastern Europe, to offset any such developments.

Second, it should oppose any plans to permit a "single Europe" from taking the seats currently held in multilateral institutions by separate European countries. There should be no support for a UN Security Council seat for "Europe" or the creation of a United States-Japan-Europe Group of Three to replace the G-8.

Finally, Washington should refrain from doing anything that might help push Britain into the euro. Nothing would represent a more fateful step for European integration than Britain's joining this ill-starred project.[3]

It seems that passive disengagement from the cause of European integration is now firmly established as the United States looks beyond Europe to the challenges of a dangerous world. In the absence of a pressing security threat in Europe, and in the presence of much more pressing security threats outside Europe, the United States will regard the possibility of a unified European policy distinctly on the merits of what it offers the United States. Is this anything new? Probably not. It is hard to imagine any administration shifting from its conception of its vital national security interests in an effort to assist in building unity in Europe.

What is different in the post-Cold War, post-9/11 world is that disagreements between the United States and Europe and among Europeans seems much more likely. So far, the United States does not seem to have concluded that European integration is inherently threatening to its interests. Despite the concerted efforts of some of its senior officials, the Bush Administration is not yet committed to destabilizing actively the process of European unification, in part because it believes the EU can still head in a broad direction beneficial to America's national interests. But at the very least the last year should mean that we will hear far fewer encomiums from U.S. officials about the virtues of a United States of Europe. □

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[2] I discuss this in greater detail in my article, "Against United Europe", *Weekly Standard*, September 22, 2003.

[3] U.S. officials have claimed that Britain's membership of the euro would help American businesses exporting across the Atlantic. However, there is little evidence to support this assertion.

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Therapy's End

Thinking Beyond NATO

E. Wayne Merry

THE IRAQ conflict ignited transatlantic tensions smoldering since the end of the Cold War. Although politicians in both Europe and America profess to regret the obvious split within the once-sturdy Atlantic Alliance, the United States and its people clearly perceive their security needs very differently than do most of Europe's governments and all of its populations. NATO is not the solution to this split; it is the heart of the problem. The continuing existence of this Cold War relic stands in the way of the necessary evolution of European integration to include full responsibility for Continental security. In the 21st century, Europe can neither become a responsible power center nor a competent partner for the United States so long as Europeans remain dependent on a non-European power for their security—or even for the appearance of their security.

A Transatlantic Watershed

WHAT A.J.P. Taylor called "the struggle for mastery in Europe" is over, replaced by the slow construction of the "Common European House." Europe today faces no external military threat, but many dangers in other fields. This is, by the destructive standards of European history, a uniquely blessed set of circumstances. Nor does the United States exercise a dominant role in European affairs—despite the overheated rhetoric about American "imperialism", "hegemony" or "hyperpower" status. The ability of European governments to thwart Washington's agenda on Iraq in the United Nations, and the inability of American diplomacy to open doors in Brussels for genetically-modified agricultural products, helps to demonstrate that Europe retains its freedom of action when and where it chooses to exercise that freedom. Sadly, and without justification, Europe remains willfully subservient to the United States in the security realm.

Today's tensions are not the temporary kind the Alliance experienced during the Cold War. There is no Soviet threat to bring us together, nor much memory among our populations of the shared burden of maintaining the West during those decades. As the distinguished German commentator Josef Joffe said recently in these pages,

> The Atlantic Alliance has been dying a slow death ever since Christmas Day 1991, when the Soviet Union committed suicide by dissolution. Having won the Cold War, the Alliance lost its central purpose and began to

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crumble like a bridge no longer in use—slowly, almost invisibly.[1]

The United States did not assume the role of European *ordnungsmacht* either quickly or willingly and has always carried the burden uneasily. Even after World War II, the United States initially responded to Europe's crisis with economic rather than military support. For many Americans, the Marshall Plan was seen as an alternative to what eventually became NATO. Only thanks to the crudeness of the Soviet threat did the United States again engage itself in European security affairs, but even then without believing it would involve a long-term commitment of forces. When the Alliance was formed, it was to serve a *European* purpose: to provide military security during a period of postwar reconstruction and the reforming of the European state system. The United States, albeit reluctantly, undertook this task because it could find no other viable means to prevent Western Europe from falling prey to Soviet power.

Today, the Alliance serves a *non-European* purpose, that of "force multiplier" and "toolbox" for supporting U.S. military interventions outside Europe. Many in Washington are understandably attracted to this seemingly useful transformation of NATO, but the change contains a fundamental flaw. The entire rationale for the Alliance—collective defense in Europe—has been reversed, or even inverted, without any revision of the North Atlantic Treaty or consideration by national legislatures. This transformation of the Alliance came about for the most bureaucratic of reasons: to give NATO something to do so as to justify its continued existence. Yet, redefining the Alliance as a "toolbox" for global power projection raises the issues of whose power and for whose purposes? These questions are the cancer that has been eating away at NATO for the past decade.

No longer can thoughtful Europeans argue that Europe's interests are congruant with NATO's purpose. The United States envisions a NATO that no longer provides for Europe's security, but instead requires Europeans to serve as auxiliaries in distant enterprises of questionable benefit to Europe (and with little if any genuine consultation). Whether out-of-area activities are valid on their merits is not the point. In going out of area to avoid going out of business, in the formulation of a former Secretary-General, NATO has carried out a silent, political *coup d'état* on its member-states.

Some Europeans, especially in the former Warsaw Pact countries now entering the Alliance, are concerned about Russia. Yes, Russia presents a real, even acute, security crisis, but to itself more than to others. While Russia retains major nuclear capabilities, the bulk of its ground forces have deteriorated to such an extent that they may be more of an internal danger than a direct one to any potential adversary. In Russia (as in Ukraine and Belarus) multiple crises—demographics, epidemic diseases and health care, environmental degradation, industrial and agricultural collapse, the weakness of both civil society and the rule of law—combine to present the rest of Europe with the potential of large failed states on its eastern edge.

The challenges Europe will face on its eastern edge are similar to those already posed by Africa: legal and illegal migration, organized and disorganized crime, plus new strains of drug-resistant diseases and HIV/AIDS on an epidemic scale. No military alliance can respond to these dangers. Indeed, the real threat is that Russia and its neighbors may be permanently excluded from the Common European House by the severity of their problems. Just as the Iron Curtain once

[1]Joffe, "Continental Divides", *The National Interest* (Spring 2003).

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divided the First and Second Worlds, the new Schengen frontier of the European Union (what some already call the "Paper Curtain") is poised to separate an expanded European First World from a neighboring European Third World.

The intense controversy over the Iraq War demonstrated that many Europeans are not willing to accept any transformation of NATO into America's toolbox. While some European governments will support the United States in most out-of-area undertakings, such as in Iraq, and all European governments will support the United States in some contingencies, as in Afghanistan, no European government will accord Washington automatic cooperation in situations in which European interests are not clearly engaged. As the United States is a global power, a clash between America's needs and Europe's interests is inevitable. Iraq was merely the first instance.

No reconfiguration of NATO will solve this problem. Moving bases from Germany or the Low Countries to Poland or Romania may provide some employment in the recipient states, but bases are not much good if in a crisis you cannot rely on overflight rights from other countries. European governments more than once denied overflight or use of facilities to American forces even in the halcyon days of Cold War solidarity when the issue at hand was out of area. More recently, the inability of the United States to use the formerly-vital facility at Incirlik in southern Turkey for combat operations in Iraq, despite intense U.S. pressure, shows that bases remain very much subject to the discretion of sovereign states with interests and policies of their own—as, indeed, they should be. In any case, the tendency in Washington to think of Europe and NATO in terms of refueling points and as a "toolbox" is hardly the stuff of a robust alliance. This is how one speaks about underlings, not allies. Such condescension speaks volumes about how both NATO and the transatlantic relationship have changed.

Building a Common European House, Not a Garrison

BOTH NATO and the European Union (EU) are expanding eastward, yet, for the states of central and eastern Europe, Russia included, the EU is of far greater importance than NATO. Most applicant governments understand that membership in the EU means joining Europe, while membership in NATO is reaching beyond Europe to the United States. That the two are inherently contradictory is not yet clear to many in eastern Europe, but this reality will become obvious as the coordination mechanisms of the EU begin to impose common external policies on the former Warsaw Pact states. Whether they like it or not, the new EU members have no credible alternative to a full European identity. They are too small and economically backward not to require the sponsorship of larger powers. But they are no longer front-burner topics for American policy. As a global power, the United States is drawn to the crisis points of the world. The region from the Baltic to the Black Sea is simply not troublesome enough to retain more importance for Washington than for Brussels.

The core dynamic of the European Union is integration and the sharing of former national prerogatives. This dynamic has progressed quite far in many areas but remains inert in defense policy because NATO has remained the primary security instrument for most EU members. The Alliance, however, is not a mechanism of European defense integration, nor has it ever been. NATO is a mechanism to integrate American power into Europe. Yet its very success has inhibited significant military integration within Europe. Despite a number of showcase combined units, like the Danish-German-Polish

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Corps or the Baltic Peacekeeping Battalion, there is no aspect of public policy in Europe today as rigidly organized within national parameters as defense.

The consequence is grotesque: a European defense establishment in which the whole is significantly less than the sum of its parts. Many of the parts are excellent, with Europe fielding high quality units and capabilities that, in some cases (such as paramilitary units), are superior to those of the United States. Yet, except for Britain and France (and increasingly even for them), the lack of scale, the fragmentation and duplication, and the sheer waste of resources within European defense establishments vitiate what could be the world's second-strongest concentration of military power. That Europe fields two million personnel in uniform is not an achievement but the heart of the problem. Half the number—even one-quarter—properly led, equipped and trained in modern operational skills, would produce a whole much greater than the disparate national parts deployed today.

The problem is not really one of money, and the United States has done ill service by so often measuring "burden-sharing" in financial rather than operational terms. True, most European countries spend far less of their national income on defense than does the United States, but this is a doubly false comparison. First, the aggregate of European defense spending is vast and dwarfs the resources available to any power center on earth other than the United States. Without spending another euro, Europe has a combined military budget beyond the dreams of Russian, Chinese, Indian or other military planners. Second, America spends defense money in ways Europe need not, as Europe has no pretensions to being a global military power with the attendant—and costly—instruments of global force projection.

The problem in Europe is that the bulk of defense spending has little to do with defense, but is allocated to create direct and indirect employment and to retain a pattern of redundant, if ineffective, "balanced" national force structures. To spend more money in this context would produce little in the way of additional usable capability. The obvious answer is greater integration of European defense efforts and forces. The leading edge of this process today is integration of Europe's defense industries, where there has already been considerable progress under the force of necessity from reduced acquisition budgets, as in the creation of the European Aeronautic Defense and Space multinational conglomerate.

There is nothing novel about multilingual and cross-border defense cooperation in Europe. If European units can cooperate within NATO, they have the talent to do so within a European rubric. The challenge lies in outgrowing the heavy hand of American tutelage and learning to do things without always asking for American guidance. That this can be done was shown in the Balkans, where Italian- and Belgian-led operations in Albania and Eastern Slavonia performed as well as, if not better than, U.S.-led missions, while the non-U.S. peacekeeping districts in Bosnia and Kosovo are well-run without Americans. The necessary next step is to expand this experience to a broader European context.

Three special issues will complicate European defense integration. First is the role of the two European nuclear powers, Britain and France, with their residual Great Power capacities and instincts. While the so-called Saint-Malo initiative—which British and French leaders undertook in late-1998 to broaden and deepen their bilateral defense cooperation—is currently at a standstill, it demonstrated that London and Paris can cooperate in the military field, as they often have in the past. Accommodating their forces to a larger European structure will be difficult, but they can also provide essential

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leadership and staff talent. Second is the role of the NATO members not now in the European Union—above all, Turkey. Recent events have so undermined previous assumptions between Ankara and Washington that Turkey's future security standing and its relationship to Europe must change almost regardless of other issues. Third is the role of the European neutrals, those EU members not currently in NATO, or what is often called the security "free riders." They will need to transfer their United Nations "Blue Helmet" experience into European cooperation. These issues will not be simple to resolve—if, indeed, they ever are "resolved"—but they can also become catalysts for greater European security integration in a post-NATO Europe. In any case, these are intra-European, not transatlantic, questions.

For Europe to move beyond the existing national-parochial military structures means moving beyond NATO to a European collective defense and security organization. The experience since the 1991 Maastricht Treaty suggests the process will be slow and halting, but it also shows how detrimental is the continued presence of the United States as the leading player in European security affairs. To restate an obvious point, the United States is currently a European power, but it is not a European country. It is not invited to participate at the European Council of Ministers or European Parliament when other issues are discussed—nor will it ever be.

European integration has now proceeded so far that Europe must take over full responsibility for its security if the European project is not to become fatally imbalanced. Europe will not likely follow the American federal model, but it is worth asking how the young United States would have developed if Britain had overseen U.S. defense policy well into the 19th century. It is quite unlikely that the phrase "United States of America" would have evolved from a plural into a collective singular had American security been decided in London. Nor can a "United Europe of States" emerge while Washington guides Europe's defense.

To any citizen of Europe, the basic stakes are huge. European integration cannot attain maturity without Europe taking full responsibility for its own defense. Much of the public skepticism within Europe about the developing pace of integration stems precisely from a widely-held understanding that a united Europe is a sham so long as it remains subordinate to the United States in the most fundamental area of public policy. It is therefore wrong to wait until other major integration issues are resolved. The building of a union does not proceed in neat and distinct stages, but in a synergism of parallel developments in many fields. Security policy cannot be placed into a desk drawer while a European constitution is on the table. Indeed, the creation of a common European security system to replace NATO—and incorporating much that NATO has built over the years—will go a long way toward persuading its citizens that "Europe" is a genuine concept worthy of their support and participation.

Dependence and Its Cure

UNDERLYING all other problems is the European psychology of dependence on the United States. This is now so much a matter of habit and experience that few diplomats or soldiers on either side of the Atlantic can recall a time when the sense of inferiority in the security realm was not pervasive among Europeans, or when Americans did not automatically assume they must take the lead to get anything done. Both sides have forgotten why the dependency began and that it was never intended to become permanent.

European capabilities already far exceed European self-confidence. Europe will remain inferior to the United States

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in power projection and logistics, but that would only be important if Europe were to emulate America's global role. Europe played that game once and lacks the will to repeat it. Nor would the Continent's weak demographics support that. Nonetheless, an "*Europuissance*" able to maintain Continental stability, participate successfully in peacekeeping operations and project power into regions proximate to Europe is well within Europe's grasp. None of these duties requires the global air and sea lift capabilities, the bombardment capabilities or the scale of America's military establishment. What they do require is European self-confidence and a willingness to proceed without always looking over the shoulder for instructions from Washington.

Many Europeans admit they want to maintain NATO so that the Americans will pay a large share of Europe's security costs. This is a classic problem of welfare dependency—the mentality of the dole. Few refuse a subsidy, even when they recognize they would be more independent and productive without it. Free money has a narcotic effect on governments, especially finance ministers, but narcotic dependency is widely recognized to be unhealthy, producing lethargy and leading to gradual deterioration of the organism. The reality stands in sharp contrast. Europe has a larger population than America, a total economy of comparable size, a modern industrial and technological base often very competitive with America's (and certainly beyond those of any other part of the world), and a vast wealth of relevant military and political experience. The notion that, somehow, Europe is "not ready" for security independence is nonsense.

Europe's psychological dependency is similar to that of a person who uses crutches for an extended time after a serious injury. Though they provide both physical and psychological support during the healing process, crutches should be abandoned when self-sufficiency is again attainable, lest the patient's full recovery be jeopardized. The European organism suffered massive trauma during the 20th century through two suicidal wars and two brutal ideologies. Europe was fortunate to have an American doctor who propped it up first with the Marshall Plan and then with NATO. These were vital for the healing process, but the American doctor failed to wean his European patient off of the crutches when the time was right.

Today, Europe must recognize that some of its injury is permanent and must simply be endured. In other respects, the healing is complete. To continue to employ the NATO crutches, although psychologically reassuring, is not only unnecessary but actually harmful. It is unnatural that Europe should remain dependent on a non-European power for its security when its own economy is restored and the Soviet threat no longer exists. There is no precedent for this in all European history, and it strikes at the core of European self-perception. The NATO crutches now prevent the European organism from developing in a fully-balanced and mature manner, twisting its body in ways that are painful and ultimately injurious. The crutches now do more harm than good, and a benign American doctor should send his European patient back out to walk naturally in the world.

THERE IS no need to bemoan the passing of NATO. Alliances are not pyramids, but pragmatic undertakings like business partnerships. It is almost a truism of history that alliances die after achieving victory. The Atlantic Alliance was a remarkable success among military pacts. Not only did it maintain cohesion longer than most alliances, but it fulfilled its most optimistic agenda in full—with minimal violence or destruction. But all human activities have their term, and the supreme wisdom in public policy is knowing when not to press a policy too far.

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For better or worse, the United States has global responsibilities and unique global capabilities. At the same time, Washington's diplomatic and political capacities are already overburdened. While U.S. operational and logistical capabilities are today supreme, America's overall force structure is little more than half the size it was a generation ago, and its reserves are seriously overcommitted. The best forces can cover only limited tasks, especially for a democratic nation that employs only volunteers. Stated plainly, NATO is a luxury the United States can no longer justify. This vast subsidy for Europe is in direct conflict with the procurement and development budgets required to maintain the American technological lead in an ever-competitive world. Today's precision weapons will be commonplace tomorrow, and even the Pentagon's immense budget cannot always keep up.

Painful though it may be for many Europeans to recognize, America's destiny lies in many directions. Europe is yesterday's problem precisely because the Alliance's mission was so fully achieved. (As is surely obvious, the same is not true in other parts of the globe.) U.S. policy also follows the country's demographics, and these are changing at a dazzling pace. America's national bloodline becomes less European in origin every day, as its African, Latin American, Asian and Middle Eastern identities become more predominant. Whether one finds these trends worrisome or welcome, the future of U.S. foreign policy is evident on the sidewalks of any American city.

The transatlantic relationship will not disappear or become marginal for either side, but it will increasingly become dominated by economic issues. Despite the frequent assertion that NATO gives the United States leverage over European economic policy, this rarely proved true during the Cold War. It certainly is not the case today, when the single transatlantic relationship possesses mixed political, economic and security strands. This is the result of our Cold War success. We can afford to haggle over steel tariffs because steel is not needed for battle tanks. Brussels will continue to be the locus of U.S. concerns in Europe, but at European Union offices rather than at NATO headquarters.

The present disproportionate concentration of power in a single political entity was not the plan or expectation of the United States. When the Cold War ended, Washington (with a few dissenting voices) anticipated that a multipolar "new world order" would unfold, with the United States as its leading power and significant power centers in Europe, Russia, China and Japan. The emergence of the United States as "hyperpower" was in part the product of a decade-long economic boom that allowed Washington to fund an increasingly sophisticated military with a declining share of national income—although the U.S. military shrank substantially from its Cold War norm. More important by far in the formation of a unipolar world were the protracted collapse of Russia, the long-term stagnation of the Japanese economy, the slow transformation of China's economic success into diplomatic activity, and—above all—Europe's extended "peace dividend" combined with its refusal to assume a role in the world commensurate with its prosperity. Thus, the United States did not conspire to unipolar status but attained it by default. If the world system is imbalanced today, and if Europeans feel unease at the scope of America's role, they have none but themselves to blame.

It is also evident that Europe and America differ quite profoundly about the role of armed force in international affairs and, more fundamentally, about the role of the United States. A senior German diplomat in Washington says he tries to explain to visitors from home that

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Americans still believe that fighting for freedom, even for the freedom of someone else, is a legitimate use of force. Europeans, on the other hand, regard war as an unalloyed evil, and the last time Germans were asked to fight for freedom was against Napoleon. America and Europe do share a common intellectual framework for *jus ad bellum*, but in justifying war we place different emphases and even different definitions on "just cause", "legitimate authority" and "proportionality." These differences are real and will remain. While personalities play a role in the transatlantic invective, it is naive to think that changing a few faces would alter the basic contradictions, because these are grounded in public opinion. My old neighbor Robert Kagan has written perceptively and provocatively about the differences, although he stopped short of drawing the logical policy conclusions: that the main instrument of the Cold War now inhibits rather than encourages transatlantic cooperation and should be eliminated.

IT SHOULD go without saying that Europe and America need to be partners in world affairs. The question is, how best to practice partnership? NATO represents the model of a dominant senior partner and various junior partners. The growth of European identity and of European integration makes this approach obsolete, even abstracting from the end of the Cold War and the lack of an external threat. With hesitant steps and many imperfections, Europe is nonetheless becoming a unified and collective partnership of its own. There must be a more balanced transatlantic partnership, with the United States undoubtedly the stronger and more active party, but with Europe becoming an increasingly cohesive and confident player with interests and ideas of its own. This new model may be unwelcome to many in Washington—it may be unwelcome to some in Europe—but America and Europe will thereby become better partners, and possibly even friends.

The essence of a true transatlantic partnership is mutual respect of a type now absent. Such an attitude can come about only when Europe respects itself as an independent actor on the world stage and when America sees in Europe a partner worthy of respect. If both sides continue trying to resuscitate NATO, the mutual resentment, hostility and contempt characteristic of the recent transatlantic relationship will only get worse over time. Mutual respect will not guarantee a successful alliance between America and Europe, but it will establish a much more solid foundation for partnership than currently exists.

Mutual respect is not itself a policy, nor will it assure either accord or cooperation. In some important policy areas, such as the Middle East, the priorities of Europe and the United States diverge too greatly for any institution (let alone NATO) to bring them together. In areas of primary European interest, such as the Balkans, it is high time for the United States to withdraw. In areas of marginal European interest, which is much of the world, Washington and Brussels need to increase their diplomatic dialogue and their coordination of non-military instruments like foreign aid. Where American and European interests clearly conjoin, as in fighting international terrorism, there must be a true partnership.

Americans should welcome a whole, free and non-subordinate Europe. If the United States and Europe truly share common values, there is nothing to fear from diverse perspectives or policies. Americans generally favor competition and regard monopolies as likely to produce arrogance, uncritical thinking and bad decisions. Very well. Let us welcome a little friendly competition from Europe, as we will have more than enough of the unfriendly kind from elsewhere. □

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The Bush Strategy At War

Ilan Berman

QUIETLY, and largely away from the public eye, a revolution has begun in American strategic thinking. The endeavor currently being pursued by the Bush Administration is breathtaking in scope, entailing a reexamination of virtually all the traditional elements of U.S. strategic posture. And while its contours are just becoming visible, this blueprint has already begun to reshape world affairs.

The reconception now emerging in American strategy, articulated partly in the September 2002 National Security Strategy (NSS), can be defined by three distinct revolutions—each of which is already being put into practice by the Bush Administration. The first involves the way in which the United States uses force in the post-9/11 world. The NSS makes a convincing case that the concept of imminent threats must be amended to take into account "the capabilities and objectives of today's adversaries": the amorphous nature of today's terrorism, the availability of weapons of mass destruction and the sinister possibility of a synergy of these elements with rogue states. In response, it codifies America's right to act proactively to neutralize gathering dangers, declaring such moves to be a necessary and legal response to new global realities.

These new parameters of power are hardly limited to the theoretical. Indeed, they were prominently on display in the war against Iraq that the United States and its "coalition of the willing" waged in the spring of 2003. The Bush Administration's rationale for regime change in Baghdad hinged on the danger posed by Saddam Hussein's quest for weapons of mass destruction, and on the frightening possibility that a confluence of objectives could prompt the transfer of such tools of destruction to terrorists. The need for a preventive response, in turn, served as the guiding principle behind Washington's subsequent decision to resort to military action.

The second revolution in strategic thinking deals with how the United States defines defense. From its early days in office, the Bush Administration has worked actively to alter the Cold War-era strategic mindset that had held sway, quite counterintuitively, well into the 1990s. Even before September 11, it directed a wide-ranging reevaluation of America's strategic posture, launching the 2001 Quadrennial Defense Review (QDR) under the auspices of the Department of Defense. The September 11 attacks underscored the salience of the QDR's recommendations, released just days later, of a capabilities-based strategic posture able to assure allies, dissuade adversaries, deter

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aggression and—if necessary—decisively defeat undeterrable enemies.

Since then, the White House has moved decisively to enshrine this paradigm shift. With Russia, it has launched a comprehensive overhaul of strategic ties. Building on the recommendations of the QDR, the Congressionally-mandated January 2002 Nuclear Posture Review officially removed Russia as the principal strategic threat to the United States, setting the stage for the sweeping bilateral reductions in strategic arsenals codified by President Bush and Russian President Vladimir Putin later that year in the Moscow Treaty. And, at home, Washington's June 2002 withdrawal from the ABM Treaty paved the way for President Bush's subsequent decision to construct a near-term, "initial set of missile defense capabilities."

The third and final transformation encompasses the way the United States approaches proliferation. In response to perceived inadequacies in existing arms control arrangements, the White House has placed emphasis on active counterproliferation as the hallmark of successful efforts to stem the spread of weapons of mass destruction. Building on that theme, President Bush announced in late-May 2003 the establishment of the Proliferation Security Initiative (PSI), a loose-knit alliance intended to counter the spread of weapons of mass destruction, as a supplement to existing arms control measures.

This initiative has since blossomed into a significant partnership.[1] Two subsequent meetings, in June and July 2003, have fleshed out the core principles for the grouping: strengthening existing international security agreements, stepped-up intelligence-sharing among PSI member-states and active proliferation prevention through coordinated air, land and sea interdiction efforts. As such, the PSI represents a signal strategic development—the evolution of arms control into a proactive nonproliferation tool.

The Strategy Beyond Baghdad

QUITE clearly, the war with Iraq constituted the first concrete manifestation of these new principles. The conceptual underpinning of the Bush Administration's decision to go to war revolved around the need to prevent, by any means necessary, the acquisition of "catastrophic power" by rogue states and terrorist groups—in a word, pre-emption. And yet, despite both its significance and its current international prominence, Iraq represents only one part of a substantially larger picture. Beyond Baghdad, a number of high-profile crises now confront the emerging American strategy.

Foremost among these is North Korea. The current political stalemate on the Korean Peninsula is a product of Pyongyang's unexpected October 2002 revelation of its clandestine nuclear program. Since then, North Korea has ejected international inspectors, reactivated its nuclear reprocessing facility at Yongbyon and forged ahead with efforts to acquire a sustained offensive atomic capability. Concurrently, Kim Jong-il's regime has stepped up work on ballistic missile capabilities through a number of measures, from rescinding its self-imposed 1999 moratorium on missile testing to accelerating development work on its Taepo-Dong series of long-range rockets.[2]

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[1]Eleven member-states currently comprise the Proliferation Security Initiative: Australia, France, Germany, Italy, Japan, Poland, the Netherlands, Portugal, Spain, the United Kingdom and the United States.

[2]Most concretely, this is believed to have yielded two new additions to the North Korean ballistic missile arsenal. The first, a medium-range, road-mobile missile with an estimated range of up to 3,400 miles, will allow North Korea to target all of Japan, as well as the U.S. territory of Guam. The second, a longer-range variant of Pyongyang's Taepo-Dong, will put Hawaii,

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The resulting advances have substantially expanded both its nuclear arsenal and its ability to target the United States and U.S. allies.

Taken together, these moves have increasingly challenged the strategic status quo in East Asia. On the one hand, North Korea's nuclear breakout—accomplished in contravention of Pyongyang's commitments under the 1968 Non-Proliferation Treaty (NPT) and the 1994 "Agreed Framework" subsequently signed with the Clinton Administration—has eloquently demonstrated the limitations of arms control in ensuring compliance with international obligations among strategic adversaries of the United States. On the other hand, North Korea's nuclear and ballistic missile capabilities have called into question the durability of the American alliance system in Asia, enabling Pyongyang to menace the United States with the credible threat of a nuclear strike. With such a potent policy tool, North Korea holds the power to deter Washington from assisting its Asian partners in the event of North Korean regional aggression, a fact understood well not only in Pyongyang but also among U.S. allies in Asia and beyond.

Iran poses a similar strategic quandary. Recent revelations regarding the advanced state of Iran's nuclear-processing capabilities, coupled with the discovery of trace amounts of weapons-grade uranium within the country, suggest that the Islamic Republic's nuclear ambitions have attained a significant degree of maturity. Like those of Pyongyang, Tehran's strides toward a nuclear capability have occurred in spite of its membership in, and obligations under, the NPT. And, as in North Korea, Iran's nuclear advances have been mirrored by progress in its ballistic missile capabilities. Following this summer's "final" test of its *Shahab-3*, which has a 1,300 kilometer range, Iran has inducted the intermediate range rocket—capable of targeting Israel, Turkey and India, as well as U.S. forces in the Persian Gulf region—into its feared Islamic Revolutionary Guard Corps, the *Pasdaran*.

These advances hold ominous implications for America's regional policy. Iran's expanded missile reach threatens to undermine the reliability of U.S. allies in the Middle East, rendering them vulnerable to Iranian blackmail—which the Islamic Republic can invoke at will in response to U.S. policy. And Tehran's nuclear and ballistic missile breakthroughs, together with its conventional military rearmament (accomplished principally through partnership with Russia), have led the Iranian government to adopt an increasingly aggressive regional profile, one that has intimidated Gulf neighbors and allowed Tehran to exert growing influence over Middle Eastern politics.

Meanwhile, Tehran and Pyongyang's successes have been repeated, albeit on a smaller scale, by a host of other aspiring regional powers in the Middle East and Asia. For these nations, the pursuit of weapons of mass destruction and ballistic missiles has become a common element of contemporary strategy and a shared means to achieve strategic parity with the United States. Such a focus is quite logical, given both the overwhelming conventional military superiority of the United States, and its self-created vulnerability to weapons of mass destruction—demonstrated so eloquently by the lack of American defenses capable of countering Iraqi SCUD missiles during the first Gulf War. And it has been both perpetuated and accelerated by a steady stream of technologies and know-how from "supplier states" like Russia, China and North Korea, yielding what amounts to an independent, self-sustaining international sys-

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Alaska, California and much of the western coast of the United States within striking range. See Bill Gertz, "North Korea to Display New Missiles", *Washington Times*, September 9, 2003.

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tem of proliferation.[3] The consequences of this dynamic, which in large part enabled the twin nuclearizations of India and Pakistan back in 1998, can today be seen in the ominous ballistic missile and WMD advances being charted by countries such as Libya and Syria.

The Bush Administration's response to these trends has highlighted both the versatility of its new strategy, and its practical utility. Even as it has pursued multilateral diplomatic dialogue with North Korea, the White House has worked to elevate the importance of missile defenses among its allies in the Asia-Pacific region. These efforts have gained significant ground over the past year. In the wake of its December 2002 decision to expand missile defense cooperation with Washington, the Japanese government has moved decisively to realize an ambitious plan for national defense—one that includes not only the deployment of American-made defenses to protect vital population centers, but also the possible amendment of its constitution to permit both interception of overflying missiles and participation in a U.S.-led regional missile shield. In a similar vein, the United States has drawn closer with South Korea: through a recently unveiled $11 billion multi-year defense plan, the Pentagon has pledged to deploy advanced missile defense batteries to protect Seoul from its northern neighbor. Even Australia, notwithstanding a recent governmental decision to limit its investment in missile defense, has maintained a robust dialogue with the United States and has left open the possibility of a role in Washington's planned Asian ABM system as a complement to its own existing defenses.

In response to Iran, the United States has broadened its dialogue with allies in Europe. Building on a newfound European consensus regarding the gravity of the threat from Tehran, the Bush Administration has pressed transatlantic allies to engage in bilateral missile defense initiatives as a strategic response. Concurrently, the White House has made considerable headway in its plans for a larger regional anti-ballistic missile architecture that will include east European countries like Hungary, Poland and the Czech Republic, as well as Britain and Denmark, and will be oriented against emerging missile threats from the Middle East and Asia.

Through work with European and Asian allies, the Bush Administration has succeeded in establishing more stringent standards for monitoring international commerce. Proof of this was visible in April 2003, when, even prior to the formal creation of the PSI, intelligence collaboration between Paris and Berlin resulted in the French seizure of nuclear-related components believed to be intended for North Korea. Similarly, the subsequent interdiction of North Korean narcotics by Australian authorities, and Japan's concurrent closure of North Korean smuggling operations, has effectively tightened the noose on North Korea's rogue proliferation habits.

These steps, in turn, have been supplemented by the multilateral efforts of the PSI. Exercises by member-states in Australia's Coral Sea this past September, and upcoming maneuvers in the Mediterranean, provide member-states critical experience in aggressive interdiction procedures and substantially impair international proliferation. And the American response has not been limited to the PSI. The White House has also promoted other nonproliferation instruments, such as the Hague Code of Conduct Against Ballistic Missile Proliferation, created in November 2002 as a means to strengthen and reinforce its emerging counterproliferation mechanisms.

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[3] An eloquent discussion of this "21st Century template" can be found in Defense Science Board Chairman William Schneider's October 29, 2002 *Financial Times* article, "Nuclear Bombing for the Beginner."

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Stumbling Blocks for the Strategy

THESE innovations in power, defense and nonproliferation lie at the heart of the Bush Administration's conceptual reordering of national security. But while these tools have already begun to alter the international strategic landscape, all three face substantial obstacles to their long-term success.

The rationale behind pre-emption may have been successfully invoked by the United States in its first practical international application—that of Saddam Hussein's Iraq. In Iraq's aftermath, however, the validity of pre-emption as a sustainable strategic concept has increasingly been challenged by three factors.

The first of these is conceptual clarity. The strategy laid out in the NSS is pointedly vague about which international conditions are thereafter deemed imminent threats by the United States. Some clarification of these criteria can be found in the administration's subsequently-released *National Strategy to Combat Weapons of Mass Destruction*, which identifies the acquisition and capacity to use WMD against American forces and the civilian population of the United States as one such trigger.[4] Yet confusion about when, how and under which circumstances the United States will choose to apply preemptive force continues to prevail internationally, both among allies of the United States and its adversaries. And without a clear identification of standards—from likely targets to activating mechanisms—this lack of uniformity will continue to heighten suspicion of the strategy and chill its reception abroad.

Second, pre-emption faces premature strategic obsolescence—largely thanks to haphazard American diplomacy in East Asia, where justifiable fears of the possible impact on regional allies have so far prevented the United States from unambiguously retaining a military option to the North Korean crisis.[5] Yet failure to maintain such a response to Pyongyang's nuclear blackmail risks invalidating the very proactive posture at the core of the Bush Administration's emerging grand strategy. Taking pre-emption off the table would also embolden other potential adversaries, like Iran, who seek the capability to stand down the United States.

Finally, but perhaps most importantly, the course of events in Iraq has profound consequence for the future of pre-emption. The postwar difficulty experienced by the United States in uncovering Iraq's weapons of mass destruction programs has increasingly called into question the rationale for preemptive action: the notion that Iraq was an imminent threat to U.S. and regional security. Over time, this situation could prove seriously damaging to the viability of the Bush strategy. An unambiguous, post-facto demonstration of the global threat posed by Saddam Hussein's regime remains essential to shoring up legitimacy for the Bush Administration's pre-emption strategy among already skeptical members of the international community. That American efforts—spearheaded by Dr. David Kay's Iraq Survey Group—have, despite some successes, so far fallen short of accomplishing this goal does not bode well,

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[4]"Because deterrence may not succeed, and because of the devastating consequences of WMD use against our forces and civilian population, U.S. military forces and appropriate civilian agencies *must have the capability to defend against WMD-armed adversaries, including in appropriate cases through preemptive measures*" (emphasis added). *National Strategy to Combat Weapons of Mass Destruction*, White House, Office of the Press Secretary, December 2002, p. 3.

[5]Notably, some prominent critics have argued that a military option is both feasible and necessary against the North Korean regime. See, for example, R. James Woolsey and Thomas McInerney, "The Next Korean War", *Wall Street Journal*, August 4, 2003.

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either for pre-emption's popular appeal or its international acceptance.

Another main Bush Administration initiative, missile defense, faces a different but equally daunting impediment. Despite considerable progress by the Pentagon toward fulfilling the President's vision of protecting the United States and its deployed forces from ballistic missile attack, disheartening signs suggest that the administration has yet to fully transition beyond the Cold War concept of Mutually Assured Destruction (MAD). Proof of this can be seen in the focus of the "initial effort", now being pursued by the Pentagon, to place priority emphasis on land- and sea-based anti-missile technologies—both explored extensively during the first Bush and Clinton Administrations—with little corresponding attention to the third potential theater of activity: space.

This constitutes a critical oversight. From the intercontinental arsenals of traditional strategic competitors to the potential acquisition of short- and medium-range missiles by terrorist groups, the complexity of the ballistic missile threat now arrayed against the United States requires a defensive capability that exploits all existing arenas and technologies. And this, in turn, necessitates a move into space as a medium capable of providing the United States with both global monitoring and global reach.

The Bush Administration's hesitance to do so thus far appears to stem from the continued prevalence of MAD in U.S. strategic thinking. That concept, codified in the 1972 U.S.-Soviet Anti-Ballistic Missile Treaty, enshrined a shared vulnerability to nuclear annihilation as the lynchpin of international security. Despite its flimsy foundations (which presupposed that Moscow's calculus of the costs of a nuclear exchange were the mirror image of Washington's), MAD proved to be surprisingly resilient—so much so that even the Strategic Defense Initiative, President Ronald Reagan's response to the "balance of terror" that had grown to dominate U.S.-Soviet relations, ultimately ended up operating within its constraints.

Little changed with the end of the Cold War. Political considerations prompted the new leaders in both Moscow and Washington to maintain the illusion of the now-obsolescent Cold War nuclear balance by rejuvenating and strengthening the ABM Treaty. At home, this decision was mirrored by a systematic governmental campaign to eradicate space-based anti-missile capabilities (outlawed under the Treaty) from the institutional knowledge of the Department of Defense and national laboratories. The resulting demise of promising space-based technologies—like the Brilliant Pebbles program developed by the Strategic Defense Initiative Organization in the late 1980s and early 1990s—has not yet been revisited by the Bush Administration, notwithstanding Bush's groundbreaking decision to abrogate the ABM Treaty.

Diplomatically, meanwhile, political considerations have also complicated American efforts. While the newfound warmth that now dominates Washington's relations with Moscow may have expanded potential areas for strategic cooperation, Russian officials remain stridently opposed to any U.S. efforts in space, based largely on the fear that such activities could decisively invalidate their country's nuclear deterrent. The expanding strategic dialogue between the United States and Russia, together with Moscow's continuing importance to the U.S.-led war on terrorism, have meanwhile given the Kremlin an increasingly potent voice in American strategic planning. Russian policymakers have used this opportunity to make clear their opposition to an unfettered U.S. anti-missile effort and have put forth initiatives that, if enacted, would profoundly constrain long-term missile defense development on the part of the United States.

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Washington's complex relationship with China has had a similarly chilling effect. Fears of a destabilizing arms race have led missile defense opponents to warn against an extensive deployment capable of challenging China's nuclear deterrent or its regional military status. This argument persists in some segments of the U.S. government, notwithstanding ample evidence that Beijing continues to pursue a massive, multi-year military modernization effort—one designed to dominate the Asian theater and decisively determine the future of Taiwan—irrespective of American anti-missile plans. Meanwhile, China's foray into space with the groundbreaking October launch of its *Shenzhou-5* manned capsule suggests the start of a new arena of strategic competition between the United States and China—one that could further complicate an American deployment of space-based capabilities.

As for counterproliferation, whether the PSI can sustain its early successes is still an open question. To be sure, both in Europe and in Asia, the initiative has already resulted in more stringent monitoring of maritime commerce and significantly impaired North Korean proliferation practices. Future exercises are expected to give member states further experience with aggressive interdiction procedures, as well as send a clear signal to Pyongyang regarding its nuclear program. But long-term success hinges on broadening the alliance to include additional nations both willing and able to enforce its aggressive nonproliferation efforts, as well as gaining the endorsement of major international players (like Russia and China) that hold significant leverage over the PSI's global acceptance as an instrument of foreign policy.

Here, heartening progress can be seen abroad. The October 2003 Bali summit of ASEAN saw the creation of an Asian "security community" designed to strengthen and coordinate regional efforts against terrorism, maritime piracy and transnational crime—mirroring in part the intentions of the PSI. Similarly, since the establishment in 2001 of the six-member Shanghai Cooperation Organization, both Moscow and Beijing have attempted to use it to create a common regional approach to the problems of terrorism and narcotics trafficking in Central Asia. These and other new constructs in Central Asia, the Middle East and Europe (as well as adaptations of existing alliances now underway) suggest that the core principles undergirding the President's Proliferation Security Initiative have begun to gain global currency.

Vision in the Balance

MORE THAN a year after its genesis, the future of this bold new strategy is far from certain. In the face of growing difficulties in Asia and the Middle East, U.S. policymakers might yet be tempted to revert back to traditional approaches to arms control, defense and the use of force. (Against the backdrop of upcoming elections, the Bush strategy has also become a distinctly partisan issue, with many of the President's political opponents publicly advocating a return to the pre-September 11 status quo in strategic policy.) By contrast, early signs of an international consensus—from a shift toward pre-emption in Paris and Moscow to the widening appeal of both missile defense and the PSI—suggest that its strategic concepts could very well attain universal acceptance. Progress *vis-à-vis* North Korea and Iran, meanwhile, might decisively tip the scales in the administration's favor, demonstrating both the strategy's sustainability and its global applications. One thing, however, is abundantly clear. The ultimate success or failure of the Bush Administration's revolution in strategic thinking will profoundly shape the nature of the international environment, as well as America's place in it. □

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Confronting Hamas

Steven Simon & Jonathan Stevenson

ON AUGUST 19, 2003, a member of the Palestinian terrorist group Hamas detonated himself aboard a Jerusalem bus. In addition to killing 21 Israeli civilians and injuring over a hundred more, this attack ended the fragile cease-fire between the Israelis and Palestinian terror groups, prompted the resignation of Palestinian Authority (PA) Prime Minister Mahmoud Abbas and stalled a peace process premised on the so-called roadmap. Slated to last for at least three months, the cease-fire lasted less than two, and Hamas immediately proclaimed that its attacks would continue. It appears to be making good on that threat.

If terrorism persists unabated, Israel will be compelled to continue retaliation. But even unsentimental counter-terrorism practitioners recognize the limits of this dispensation. In September 2003, Ephraim Halevy announced his resignation after four years as head of the Mossad and a year as director of Israel's National Security Council. He thinks the Israeli government must "offer more and demand more" to create a stable final settlement. In particular, it must offer a viable, secular Palestinian state and demand "that the Palestinians recognize the legitimacy" of the state of Israel. In other words, when required, a political dimension must be added to Israel's military strategy of "mowing the grass." In mid-November 2003, four former heads of Shin Bet, Israel's security service, gave a joint interview to Israel's largest daily, *Yediot Ahronot*. Ami Ayalon, Shin Bet chief from 1996 to 2000, said that trying to defeat the Palestinians militarily "hasn't worked", and the other three agreed that bolder peace initiatives had to replace hard-line policies. Some Israeli soldiers are even questioning the morality and effectiveness of their government's tactics.

Hamas, the strongest of the religiously-motivated Palestinian terrorist groups, is the most formidable obstacle to peace. Yet targeted killings of militant leaders seem to boost the group's popularity among Palestinians during times of crisis (including those of Hamas's own making). Even moderate Palestinians were outraged by Israel's attempt to kill Hamas's half-blind, paraplegic spiritual leader, Sheikh Ahmed Yassin. Against this background, American support for Israel's current policies could eventually impede Washington's larger goal of democratizing the region. It is therefore central to U.S. interests in the Middle East (notably, its interest in denying Al-Qaeda new recruits) that Hamas be

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tamed, Israeli retaliation curtailed and a two-state solution to the conflict forged. The Israeli-Palestinian conflict is not the prime cause of U.S. problems in the Middle East, but ameliorating it must be part of the solution.

Easing Hamas into nonviolent politics, so that it might restrain itself as the Provisional Irish Republican Army (IRA) has done, would be preferable to outright coercion. But Hamas does not appear amenable to a Northern Ireland *modus vivendi*: it requires a political outcome that Israel and interested major powers cannot feasibly deliver. Forcibly dismantling the organization's military apparatus would thus seem the only effective option.

Hamas and the Peace Process

HAMAS AROSE during the first *intifada* in December 1987. From the beginning, three broad factors determined its lack of interest in political compromise. First, its ideological mission, as articulated in its "Introductory Memorandum", is absolutist and inherently violent:

> Hamas believes that the Zionist colonization scheme can only be extirpated through a comprehensive holy struggle in which armed struggle is a basic instrument. Hamas also sees that the best way to conduct the fight with the Zionist enemy is to mobilize the resources of the Palestinian people to raise the banner of struggle in Palestine and to keep the embers of conflict burning until the conditions for a decisive battle with the enemy are complete. . . . [B]elieving in the sacredness of Palestine and its Islamic status, Hamas believes it impermissible under any circumstances to concede any part of Palestine or to recognize the Zionist occupation of it.

Hamas considers Palestine wholly Muslim land, such that surrendering any of it would be sinful. One passage of its charter suggests that religious redemption turns on destruction of the Jews. Thus, Hamas's leadership cannot easily endorse even tactical acquiescence in, still less a public endorsement of, a two-state solution. Consistent with this, Hamas has rejected peace deals like the one Israel and the Palestinians were negotiating at Taba in January 2001.

The second factor is Hamas's understanding of what constitutes a successful strategy. Many Hamas activists interpret Hizballah's bleeding of the Israeli Defense Force (IDF) as the cause of Israel's withdrawal from southern Lebanon. This action is then assumed to be the strategic model for ousting Israel from the West Bank. Though such a view is wrong—pacifying the West Bank is more central to Israeli security and domestic political imperatives than occupying southern Lebanon—it resonates nonetheless.[1] It also helps to explain why Hamas's leadership believes that, over enough time and through sustained violence, it can accomplish its absolutist goals. (Ironically, growing Israeli resentment of Jewish settlers, and the perception that the IDF is in the West Bank to protect them, may turn Hamas's wishful scenario into reality.)

Finally, there is Hamas's institutional psychology. Like most political and military organizations, Hamas is divided between relative doves and hawks. It can therefore seem schizophrenic on issues of compromise and violence. On a practical level, it exploits revenge attacks on Israel to boost morale and recruitment for the looming confrontation with its secular adversaries.

These characteristics do not stop Hamas from intermittently dialing back terrorist operations and edging toward negotiation, but they do suggest that the group's motivation for doing so is merely tactical. True, some Hamas leaders have,

[1] See Mark A. Heller, "Implications of the Withdrawal from Lebanon for Israeli-Palestinian Relations", *Strategic Assessment*, Jaffee Center for Strategic Studies, (June 2000).

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since 1988, advocated an interim solution involving an armistice, an Israeli withdrawal from territories occupied in 1967 (including all of Jerusalem) and negotiations on other rights. Hamas leaders also established informal contacts with Israeli officials during the Oslo process. Nonetheless, hard-liners have effectively vetoed any formal armistice offer and rejected Israel's attempts in 1993-94 to establish a dialogue aimed at convincing the organization to renounce violence in exchange for a guaranteed political role in any peace settlement. The fact remains that all ten of Hamas's declared or offered cease-fires between 1993 and 2002 emerged when it needed breathing room to regroup after pressure was exerted by a superior adversary—either Israel or the Palestinian Authority (PA). None has lasted longer than a few weeks.

As matters now stand, Hamas is extremely unlikely to dispense with violence as a political tool. It wants an Islamic Palestinian state in all of mandate Palestine, which Taba failed to provide. Corresponding to this ideological complaint is a pure power struggle: Taba would leave Fatah the dominant Palestinian party and cornerstone of the secular resistance, and that is equally unacceptable to Hamas. The two other key elements of Taba are objectives that Hamas shares, as far as they go, with the PLO-dominated PA and Fatah: a substantial end to Israeli occupation of the West Bank and Gaza and, most importantly, the creation of *some* Palestinian state. Due to Hamas's present popularity, Fatah leaders may assess that they lack the credibility to suppress the group in the hope of pre-empting future problems. Accordingly, Hamas can afford to wait, nurturing its popularity through social welfare operations and revolutionary appeals. A decisive challenge from Hamas, then, would most likely occur after Palestinian independence, when a sovereign entity existed for it to control politically, shape ideologically and use as a potential base for continuing its armed struggle against Israel.

Hamas's patience, however, is not tantamount to unwillingness. The group's forbearance on this front does not mean it is susceptible to political co-optation. The group considers a popular mandate essential to destabilizing the PA, wounding Israel and eventually theocratizing a Palestinian state. These goals require armed force. If Hamas did lose popular support on account of escalating violence, it could either tactically reduce terrorism as it did in June 2003 or pre-emptively wrest control from Fatah by force. But the logic of its strategy would bar a complete renunciation of violence. One way or the other, the availability of popular backing will only determine the timing of Hamas's violent challenge to its secular rivals. It will not affect the inevitability of that challenge.

In any case, Hamas's consistent refusal to join the PA government attests to its confidence in the viability of its unrepentant posture. The November 2002 meeting in Cairo between Fatah and Hamas under Egyptian President Hosni Mubarak's auspices, arranged to explore the possibility of closer cooperation during the *intifada*, was futile. From the moment it began negotiating with Fatah, Hamas was working against the armistice, even while their military wings were apparently coordinating some operations. Hamas's continuation of terrorism was certainly intended to discredit the PA and demonstrate Israel's vulnerability. But Hamas's larger objective was, as always, to wage war on both and achieve a comprehensive Islamist victory.

Though it is in the interest of both Hamas and Fatah to avoid a decisive confrontation as long as they both share the proximate goal of statehood, each party must buttress its popularity in the meantime—for the perception of legitimacy will be required when the real test comes. The two sides are thus circling each other in preparation for an imminent show-

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down. This is a tricky game. For Yasir Arafat and Fatah, ongoing terrorism makes Hamas a convenient "bad cop." At the same time, violence bolsters Hamas's popular standing as the strongest defender of the Palestinian cause. Although continued violence delays statehood and depletes military resources needed to confront Fatah and Israel, Hamas opts for terrorism, in part because it has no leader charismatic enough to compete with Arafat politically. According to a reliable survey, in November 2002, the secular Palestinian resistance collectively commanded the approval of nearly half the respondents, while Sheikh Yassin's support hovered at 14 percent. Others who enjoy sufficient name recognition to register in public opinion surveys are all affiliated with Fatah or other secular arms of the PLO, not with Hamas.[2]

A wild card in all of this remains the possible pre-independence demise of Arafat. If that were to occur, Hamas could cease biding its time and go on the offensive both politically and militarily. Absent that, Hamas will likely stick to its current halfway (but not unavailing) strategy of conducting sporadic attacks. If pursued consistently, it might gradually splinter Fatah and invite some of its frustrated members to take up the sword. On October 15, for example, a breakaway group called the Popular Resistance Committee, composed mainly of disgruntled Fatah members, bombed a U.S. convoy in Gaza, killing three U.S. security specialists and injuring an American diplomat. While Hamas distanced itself from the killing of Americans, the evident fragmentation of Fatah works to Hamas's advantage.

In response to Hamas's ongoing terrorism, Israel has escalated counter-terrorism operations—targeting finances and known militant installations, re-occupying territory ceded to the PA under the Oslo accords and killing militant leaders in relatively surgical military operations. This has given Hamas ample political cover to continue suicide attacks that provoke further Israeli retaliation against the PA. The PA is left to acquiesce in Israeli suppression, comply with demands to crack down on Hamas or both. In any case, Hamas, not the PA, is viewed as the Palestinians' popular champion.

In May 2003, however, Hamas appeared outflanked. Fatah declared a unilateral cease-fire and the United States, the United Nations, the European Union and Russia (otherwise known as the Quartet) revived the peace process with the roadmap. Hamas would have looked like a violent spoiler denying the Palestinians their chance for peace and statehood if it had not at least agreed to a tactical cease-fire. This it did in late-June 2003.

For its part, Israel released only 400 of its roughly 6,000 Palestinian prisoners in August and reduced, but did not completely suspend, targeted killings. Suicide bombings on August 12 by Hamas and the Al-Aqsa Martyrs Brigade (as well as the Jerusalem attack a week later by Hamas and Palestinian Islamic Jihad) were stated to be retaliation for continued targeted killings. Hamas and Islamic Jihad formally ended their cease-fires in a joint statement issued on August 22. It cost them nothing in political terms. In fact, their support among Palestinians actually increased after the August 19 bombing.[3]

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[2] "The Israeli-Palestinian Conflict: Utopianism vs. Realism", *Strategic Survey 2002/3* (Oxford University Press for the IISS, 2003), p. 181.

[3] According to a poll conducted by the Palestinian Center for Public Opinion, support for Hamas increased from 18 percent to 19.2 percent between November 20, 2002 and September 30, 2003. Meanwhile, Fatah's backing dropped by an identical amount, from 30.3 percent to 29.1 percent. Fatah and Hamas remained the most popular political parties in the territories by far. Palestinians who favored suicide attacks in Israel rose from 38.3 percent on March 27, 2003 to 54.9 percent on September 30, 2003.

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The Irish Comparison

THE RECENT history of Northern Ireland demonstrates that a terrorist group can be accomodated through a political process. It is tempting to believe that Palestinian terrorist groups could be susceptible to political incentives similar to those incorporated into the 1998 Belfast Agreement (also known as the Good Friday Agreement), which have quieted the IRA and Sinn Fein, its political wing.[4] On the basis of the Northern Irish peace process, it is hard not to credit the pleas of Ayalon and the other former Israeli security officials for extending more bountiful olive branches to the Palestinians. Unfortunately, material differences exist between the situations of Northern Ireland and the Palestinian territories that severely circumscribe any analogy. The acuteness of these disparities dictate that Hamas be treated very differently from the IRA.

The most fundamental difference turns on the relative strengths of the terrorist groups and the security forces. Max Weber argues that an effective monopoly on the use of force is essential to the modern state's viability. The "statelet" of Ulster—in reality, a British protectorate—need not have such a monopoly because it enjoys the security guarantee of the United Kingdom and its armed forces. Their military superiority over the IRA is sufficient to wipe it out in anything like a civil war. This is basically why the British government has been willing to meet the IRA halfway: London can afford to allow the IRA the conceit of holding arms if that is what is required for it to remain dormant.

Yet even this is a risky proposition. Notwithstanding the UK's guarantee, the Northern Irish situation is quite tenuous. Sinn Fein's empowerment has probably made Irish republicans less apt to compromise on agreement-implementation issues. The IRA has refused to take serious steps toward voluntary disarmament since signing the Belfast Agreement. The majority pro-British Ulster unionists, in turn, have blocked Sinn Fein's full participation in government. Republican and unionist recalcitrance prompted the suspension of the devolved government in October 2002, and it has not yet been reconvened.

The example of Northern Ireland, then, is actually a strong argument *against* a lenient stance on Hamas. If Northern Ireland is unstable even with a strong external guarantor, then a nascent Palestinian state with no such guarantor would have little hope of durability. In the context of a new Palestinian state, the PA (having made a tough peace with Israel) would stand in a position roughly comparable to that of Northern Ireland's unionists. Unlike them, however, the PA would enjoy no state-level security guarantor comparable to the UK. A Fatah-led constitutional government would likely be too weak to dismantle Hamas's military component forcibly should it instigate civil war—especially if the government had forfeited public support on account of its corruption, incompetence or agreement to a territorial settlement widely seen as unfair. The job of disarming Hamas would then

[4]Sri Lanka's experience with the Tamil Tigers also provides an interesting case study. It suggests that if counter-terrorism crackdowns are coordinated with political initiatives, they can positively modify terrorist behavior. Such crackdowns, particularly those focused on fundraising, strained the Tigers' operational resources and pushed it to declare a cease-fire that has endured since early-2002 due to positive political reinforcement. Having weakened the Tigers, the Sri Lankan government initiated talks and offered to legalize the group, provided it abided by the cease-fire and remained at the table. Had negotiations failed, the Tigers would have regrouped for more potent terrorist attacks, as they have in the past. But the intervening political compromise has been substantive enough to provide genuine motivation for both sides to continue peacefully on the political track.

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fall upon the IDF's more-than-capable shoulders, but that would be even more politically incendiary than it is today.

Other factors make the Northern Irish example still more inapposite. Consider manpower and lethal intent. In the Northern Irish peace process, the release of republican prisoners was indispensable to the IRA's willingness to follow a nonviolent democratic course. But the number of prisoners involved (about 300) was much lower than the number of Palestinian prisoners now held in Israeli jails (about 6,000). Furthermore, the IRA did not attack British cities with the same lethality that Hamas and its cohorts have visited on Israeli ones. Thus, releasing Palestinian prisoners would raise substantially greater security risks, while leaving Hamas armed would only multiply those risks.

In addition, the IRA's ultimate objective of a united Ireland (probably supported by a third of the Northern Irish electorate) is politically attainable, even if it is unlikely at the moment; Hamas's ultimate objective of annihilating the Israeli state is not. Thus, the IRA's cease-fire and repudiation of violence, though tactical insofar as terrorism remained a fallback option, were strategic insofar as they were seen as the best way to unify Ireland. Hamas would contemplate such a shift strictly as a tactic for achieving a better position within a Palestinian state from which to initiate both a civil war against its secular Palestinian rivals and a wider war against Israel.

According to Sinn Fein, the right to representation in a newly devolved regime, effectively ensuring republicans a strong and constant role in Northern Ireland's governance, has co-opted militant Irish republicans (to an extent). Sinn Fein's mandate has risen from 10 percent to almost 25 percent over the course of the peace process, and it has become a political force in the Republic of Ireland. Both achievements raise the political costs of a full-fledged return to violence. Hamas, on the other hand, does not need to be pacific to be popular. In fact, its support has often increased when it has chosen to raise the level of violence.

Terrorist groups are rarely, if ever, truly neutralized unless they are disbanded and disarmed. The IRA is no exception. Even after the Anglo-Irish War in 1918–21 and the Irish Civil War in 1922, a rump IRA conducted sporadic operations against British forces for the next fifty years. It then spawned the far more lethal Provisional IRA in 1969, when the most recent "troubles" broke out. Neither the republican nor the pro-British "loyalist" terrorist infrastructures in Northern Ireland have disappeared. Both sides are engaged in residual terrorism and in criminal activities that preserve their terrorist capacities. Moreover, the IRA's relative quiescence since the signing of the Good Friday Agreement has spawned revisionist splinter groups—most notably, the so-called Real IRA and the Continuity IRA—as well as "out-of-area" terrorist intrigue in Colombia. Three IRA members detained there in August 2001 have been on trial for providing technical assistance to the Revolutionary Armed Forces of Colombia.

Since its devastating attack in Omagh, Northern Ireland in August 1998 that killed 29 civilians, the Real IRA has seemed controllable (though the Provisionals may occasionally "license" the Real IRA to stage attacks when they are deemed tactically desirable). Also, defectors from the Provisional IRA to the Real IRA have drawn on Provisional IRA weapons stocks. And the IRA itself has made only token disarmament gestures, in secret, to an international decommissioning body containing no representatives of the British or Irish governments or of parties representing the Protestant majority. In sum, the IRA is unwilling to relinquish its implied fallback threat of returning to its armed campaign should nonviolent politics fail to bring it seriously closer to a united Ireland.

These uncomfortable Northern Irish truths have more virulent parallels in the

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Israeli-Palestinian context. Even if Hamas and the two other main militant organizations could be persuaded to reinstate their cease-fires, their infrastructures would remain intact, residual terrorism would occur and rejectionist splinter groups would spring up. Indeed, Hamas has been working hand-in-glove with Palestinian Islamic Jihad and the Al-Aqsa Martyrs Brigade, which is affiliated with Fatah. All three groups have received material and logistical support from Hizballah. Hamas's apparent command-level influence over the other two main militant groups means that even if one group appears to "go political", Hamas can prompt another to wage terrorism when tactical or strategic reasons arise. Because Israel has been sensitized by over 800 fatalities during the second *intifada*, just one rogue terrorist operation could veto the Middle East peace process.

Even judging by the IRA's example, Hamas would not disarm fully and voluntarily under any circumstances. Moreover, it would be unwise to expect the PA to be able to conjure a better standard of living for most Palestinians immediately following the establishment of a state. Hamas's extensive charitable works would also allow them to sustain a critical level of grassroots support.

It would be a mistake to lump Hamas together with Al-Qaeda, which has a violent global political agenda that is practically non-negotiable. But Hamas is appreciably less malleable than other terrorist groups. This places it somewhere between Al-Qaeda's "new" terrorists and the "old" ethno-nationalist terrorist groups in terms of political amenability. Given Hamas's driving teleology, the smart money says that, as long as the group remains armed and popular, it will choose the radical agenda of Islamic victory, re-assertion of the right of return and continued armed opposition to the recognition of Israel. If an armed Hamas will result in a Palestinian state that is virtually doomed, then forcibly disarming it is indispensable. But how can this can be accomplished?

A Disarming Reality

IT REMAINS preferable—both in terms of facilitating a peace process and ultimately creating a stable, peaceful Palestinian state—to hold the PA accountable for disarming Hamas. As of late-September 2003, however, Palestinian Prime Minister-designate Ahmed Qurei was able to make only vague promises to end the "chaos" caused by illegal weapons in the territories. Although his government was finally approved in mid-November, Qurei was unable to wrest control of the security services from Arafat. Like his embattled predecessor Mahmoud Abbas, Qurei appears politically unable to declare any intention to disarm Hamas and the other militias.

Disarmament certainly appears difficult: the Palestinian territories are awash in illegal guns far exceeding the quantities permitted under the Oslo agreement. Fatah itself appears to have been centrally involved in directing terrorism with Arafat's blessing for most of the so-called second *intifada*. And the regional status quo has not shifted away from sponsoring terrorist groups like Hamas and toward an active campaign of aiding in disarming them. U.S.-led military intervention in Iraq has not significantly discouraged Iran and Syria from supporting terrorists attacks on Israel, and Saudi Arabia still provides 50–60 percent of Hamas's budget (despite Riyadh's own rude awakening to transnational terrorism last May and more recently in early November).

But the counter-terrorism picture in the Middle East is not entirely bleak. Hamas's social welfare infrastructure (*dawa*) is central not only to its political and religious appeal among its Palestinian supporters, but also to its operational effectiveness as a terrorist group. *Dawa* operatives often provide logistical support

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to suicide bombers, and seasoned terrorists serve as officials of Hamas charity committees. Hence, there was a note of desperation in Hamas's plea for financial and political help from Arab states following Israel's 14 targeted killings during the first two weeks of September, Jordan's freezing of the group's bank accounts and the EU's decision to put its political wing on its list of terrorist organizations.

Hamas's military apparatus now appears riper for dismantling than it has since the second *intifada* began. If the task remains with the IDF, however, the Palestinian populace will only become more radicalized and less amenable to negotiated agreement. Given its heavy military and diplomatic obligations elsewhere, the United States should aim for maximum leverage with minimum exposure. As much as possible, Palestinians should be required to solve their own problems. In particular, in spite of its record of procrastination, Fatah should be prompted to confront—and defeat—Hamas.

The best chance for impelling Fatah to launch a successful challenge to Hamas lies in a determined diplomatic effort by the Quartet to marshal Arab assistance in eliminating financing to Hamas and other Palestinian terrorist groups. But, given Arab sensitivities, an Arab role would have to extend beyond assisting American and Israeli efforts to neutralize Palestinian militants. Key Arab states could be offered a closer role in the negotiation and implementation of a two-state solution. More substantial involvement would also give any agreement greater credibility.

Egypt's recent drive to extract another cease-fire from Hamas is unlikely to produce a stable truce. But the unofficial "Geneva Accord" that Ayalon and Palestinian academic Sari Nusseibeh mooted in October 2003 is another matter. The proposed deal significantly overlaps with the Saudi proposal for normalizing Arab-Israeli relations approved by the Arab League in March 2002. The Geneva Accord provides for formal Palestinian recognition of the state of Israel, divided and shared sovereignty in Jerusalem and a qualified "right of return" that would not actually entitle Palestinians to resettle in Israel. This initiative could provide an appropriate basis for deepening Arab involvement in forging a Palestinian state.

Beyond financial crackdowns, broad Arab cooperation would provide moderate Palestinians—and Arafat—the political cover to move against Hamas without appearing to be Israeli or U.S. puppets. The PA, for its part, may view Hamas's apparent financial vulnerability as an opportunity. Marginalizing Hamas's mammoth social welfare operations, which make the PA look bad by usurping its role as social provider, is among the most compelling reasons the PA has to improve governance.

Concurrently, the weakened PA must be rebuilt. This means a subtler reprise of the Oslo-era security arrangements, whereby the United States and Israel discreetly assisted the PA in suppressing rejectionist groups. Besides the PA itself, the IDF and Shin Bet possess the best intelligence on Hamas. The United States can offer the PA resources and diplomatic support.

Counter-terrorism assistance, however, must be more broadly based and more principled than it was throughout the 1990s. Given the ubiquity of weapons and bomb-making materials in the West Bank and Gaza (in large part due to Israeli, as well as Palestinian, criminal enterprises), outside assistance in confiscating small-arms and heavier weapons would be critical. Without this step, disarmament of Hamas will be an ephemeral achievement at best. This must be done sooner rather than later, since the stability of a Palestinian state would depend on the relative absence of weapons in circulation.

It is imperative, then, that the United States and others not repeat the failures of the Oslo period when helping the PA regain control of the Palestinian territo-

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ries. At that time, Washington particularly objected to, but was powerless to stop, the PA's use of bribery, extortion and extrajudicial murder to rein in its political rivals, as well as its coy but ineffective practice of detaining suspects one day and releasing them soon thereafter as a means of intimidating terrorists and placating Washington. The United States would have to discourage actively both of these practices. Otherwise, the result would be a repressive, manipulative and ultimately untenable state, devoid of the kind of liberal "demonstration effect" the United States wishes to create in the region. As such, it would lack any political legitimacy, without which the PA's successor would be unable to prevent the nascent Palestinian state's collapse into civil war.

Israel and the United States (along with its Quartet partners) would have to play active, albeit low-profile, roles supervising and shaping certain internal features of the PA. On this note, Israeli restraint in moving against Palestinian militants, while painful, would yield the best prospects for a credible and respected PA. That restraint would entail, first and foremost, a suspension of targeted killings. But Israel would stand to benefit: Although the policy has forced Hamas underground and constricted its ability to organize terrorist operations, it has also made Hamas operatives harder to detect and reinforced the group's violent revolutionary nature.

On the political side, a more systematic attempt by the Quartet to penalize PA corruption while also enabling it to better meet the needs of the Palestinian people would lessen Hamas's appeal as the noble guardian of Palestinian welfare. Sustained pressure on Syria to deny Hamas its base there could also help in this regard.[5] Even the PA and Fatah's partial success in disarming Hamas would inspire Israeli confidence, opening the door to a sustained halt to targeted killings, reconsideration of the pace and location of barrier construction and the release of a greater number of prisoners. If PA action were sufficiently robust, advocates of an end to settlements might get their way—at least with respect to those outposts deep inside the West Bank.

A More Disarming Reality

IF THIS approach fails, the alternative is daunting. If unable to enlist Fatah against Hamas, the United States would have to do the job itself. Burdensome U.S. military commitments in Iraq and Afghanistan, the grave risk to U.S. troops of inserting them between the IDF and Hamas (and its partners), increasing Palestinian hostility toward American personnel and the adverse political impact of another U.S. intervention in the Arab world—all of these factors would make a U.S.-led effort acutely problematic and risky.

Undesirable as that is, it is a grimly realistic scenario. The second *intifada* has already produced an alliance among Hamas, Islamic Jihad and the Al-Aqsa Martyrs Brigade. Countries like Iran and Syria may eventually decide to agitate through Hizballah, which has already infiltrated the West Bank. The PA is weaker now than it was during the 1990s (due substantially to Israeli attacks), while Hamas is considerably more powerful thanks to its rising capability to stage suicide attacks. Even with U.S. and Israeli support, it is uncertain that the PA could deploy the operational strength to suppress Hamas, and the group's parity in popularity makes confrontation by Fatah politically dangerous. But America's national interests—in particular, garnering more cooperation for U.S. regional objectives from Arab governments and diminishing terrorist recruit-

[5]In November 2003, the Senate passed the Syria Accountability Act to apply pressure through economic and diplomatic sanctions. But Washington's leverage over Damascus appears to have diminished since its high point during the early stages of the Iraq intervention.

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ment—require that the Israeli-Palestinian conflict de-escalate. The careful integration of a potential U.S. intervention into a viable and reasonably advanced peace process could become essential.

In order to create a Palestinian state, Martin Indyk, among others, has suggested replacing a dysfunctional PA with a U.S.-led trusteeship at once—and before any agreement for statehood has been established.[6] That would be a serious mistake. Palestinians would look unfavorably upon outside intervention at such an early stage, seeing it as America doing Israel's dirty work. Moreover, it is highly unlikely that the United States would be able to defeat Hamas. Israel has not yet been able to do so. For political reasons, the United States could not take the operational steps—surrounding cities, restricting movements and carrying out targeted killings—that the IDF has taken. There would only be one sure result of early U.S. intervention: the *intifada* would shift its focus from Israel to the United States. It would be more prudent for the United States to contemplate intervention only *after* a Palestinian state, led by a secular PA, has been established. U.S. forces and foreign troops under U.S. command would then be on standby to enter the fray only if the new government came under an insurrectionist challenge from a Hamas-led coalition of armed groups.

The political terms of the arrangement should call for the United States to move strictly at the invitation of the new Palestinian government. Intervention would then occur only if necessary to prevent political chaos, terrorism and the consequent failure of the nascent state. But the U.S. presence—and the political influence it gave—would also serve to preserve democracy and the rule of law in the new state of Palestine by pre-empting the PA's application of repressive methods to maintain order. Thus, the United States would not merely be protecting an elected Palestinian government; it would be securing a fair and honorable Palestinian administration that could stand as a democratic example for the entire Middle East.

Under the fastidious circumstances contemplated here for intervention, it would be essential that the United States disperse the risk to itself and its military personnel on the ground by forming a broad coalition. Given a final settlement and a new state, the brighter political outlook would make this possible by ensuring broad participation. Furthermore, the hostility of many Palestinians toward the United States would be tempered, perhaps reversed. By intervening on behalf of a Palestinian government (rather than that of the Israelis) and having helped broker an agreement for statehood, the United States would enjoy the status of peacemaker. Of course, not all Palestinians would share this view, and American soldiers would become live targets. That is all the more reason to enlist a broad coalition that dims any perception that the intervention was solely a U.S. initiative.

It remains possible, if not probable, that a sufficient degree of coercive disarmament might go some way to domesticating and neutralizing Hamas. For this reason, neither hard military measures nor political outreach should be discarded. But Hamas is not Sinn Fein: it is more a rigid religious militia than a pragmatic political party, and it will conclusively relent only in response to force. Whether the time is now right for merely weakening its terrorist capacity or disabling it altogether, a more effective application of force against Hamas is essential. If the United States and its Quartet partners cannot help secular Palestinian groups in this endeavor, the United States could find itself compelled to lead yet another military intervention in the Middle East. That prospect should concentrate minds in official Washington. □

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[6] "A Trusteeship for Palestine?", *Foreign Affairs* (May/June 2003), pp. 51-66.

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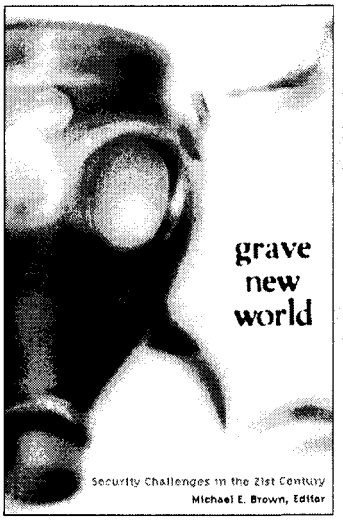

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Selling America—Short

Jeffrey Gedmin & Craig Kennedy

THERE WERE calls for an end to "U.S. warmongering." Washington had been overtaken by "a small clique of hate-mongers", claimed one speaker. American unilateralism was denounced. The United States itself had turned into "a state of holy terror", argued another speaker. The current administration was bent on a new "world war", contended still another.

No, these are not statements from a recent anti-war, anti-Bush rally. They are remarks given at a 1949 conference, convened to condemn U.S. policies toward the Soviet Union. Prominent literary and artistic figures from the United States and Europe, including Aaron Copland, Norman Mailer and Dimitri Shostakovich, played an active role. So when a senior French minister today calls the American President a "serial killer", or when a counterpart in Germany compares the U.S. leader to Adolph Hitler, it may be useful to remember that such strident expressions of anti-Americanism are hardly new.

The United States today has a public diplomacy crisis—not just in the Islamic world, but in the heart of Europe. America's traditional allies—those who stood with it in the fight against communism—are turning against the United States in droves, and little is being done to stop or even slow this anti-American stampede. Instead of stumbling about trying to explain America to the world, the United States needs a serious campaign to open European minds to our positions. And, in order to determine what this campaign should entail, it may be useful to draw lessons from history.

After World War II, U.S. officials were forced to think hard and creatively about how to respond to a vigorous Soviet-sponsored peace offensive. The American challenge was to win hearts and minds in Europe. The result was, among other things, the Congress for Cultural Freedom, counter-conferences over the next two decades, the political opinion magazine *Encounter* and crucial alliances with leading intellectuals like Melvin Lasky and Sidney Hook. The Ford Foundation and other charitable organizations were enlisted in a concerted effort to portray American culture in a fair and positive light. While it is true that some intellectuals abandoned their communist sympathies over time, they did not shed their cultural anti-Americanism. One Ford Foundation official noted in 1959 that Europeans "spent a lot of time worrying and stewing and griping about American domination, about the inferiority of our values and so on." This campaign, now often maligned incorrectly as a "CIA front", did not win over every

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European intellectual. It did, however, nurture a nucleus of thinkers and activists who were open to American ideas and willing to engage in serious discourse on the major issues of the day.

As the Cold War entered its final decade, America's reputation struggled once again. In the early-1980s, one poll showed that half of West Germany's population was eager for more independence from the United States, and nearly two-thirds opposed the stationing of new missiles on German soil. As the peace movement gathered steam across Western Europe, Kenneth L. Adelman lamented in a 1981 issue of *Foreign Affairs* that "a penny wise and pound foolish" strategy of public diplomacy had resulted in "America's disengagement" from its closest allies. Josef Joffe, writing that same year in those same pages, argued that "the few premises still shared by Europeans and Americans are dwarfed by the many disputes where they clash not only over tactics but over *Weltanschauung*." Perhaps not coincidentally, the successful public diplomacy of the 1950s and 1960s was abandoned in favor of softer, less controversial approaches like the Fulbright program. This was one of the more foolish errors of our time.

Some Americans and many Europeans would like to explain the rise of European anti-Americanism today simply as personal loathing of George W. Bush. But the current round of problems in U.S.-European relations did not begin with Iraq. French Foreign Minister Hubert Vedrine was complaining about the American "hyperpower" in 1997. Capital punishment, it was alleged in the 1990s, represented evidence of America's cultural inferiority, just as the Clinton Administration's rejection of the anti-landmine treaty was proof of America's unilateral tendencies and disdain for international agreements. Though the United States had a kinder, gentler secretary of defense in the 1990s, the German weekly *Der Spiegel* complained nonetheless: "Americans are acting, in the absence of limits put on them by anybody or anything, as if they own a blank check in their 'McWorld.'"

Recognizing that the United States was losing public support in Europe and elsewhere, Clinton, in the final year of his presidency, established the International Public Information Group. Part of its mission was "to address misinformation and incitement" about the United States and its foreign policy objectives. Today, the Bush Administration has followed suit, establishing a White House Office of Global Communications. "I'm amazed that there is such a misunderstanding of what our country is about", the President himself has remarked. "We've got to do a better job of making our case."

MAINTAINING the Atlantic Alliance today is arguably a more formidable task than ever. America and Europe have already grown apart in some ways, quite naturally. The September 11 attacks transformed the foreign policy debate in the United States and generated healthy arguments about America's global priorities, the relevance of Europe and the purpose of the Atlantic Alliance. For our west European allies, the end of the Cold War meant the end of Cold War dependence. "Old Europe" has sought to renegotiate its relationship with the United States ever since the Berlin Wall fell 14 years ago. It is important to think creatively about how the United States should engage Europe in the post-Cold War, post-9/11 world.

To address the fundamental source of this problem, both sides must recognize that the argument contained in Robert Kagan's *Policy Review* essay, "Power and Weakness", is right. In important respects, America and Europe have parted ways. There are serious differences indeed, not only in tactics but *Weltanschauung*. In a recent survey of American and European public opinion, 79 percent of Europeans

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and 88 percent of Americans said that they believe major transatlantic cultural and social differences exist. On the necessity of war to deal with serious international problems, less than 50 percent of Europeans (as opposed to 88 percent of Americans) believed military force could be a means for achieving justice.

But there is some silver lining within this dark cloud of public antagonism toward the Unites States and its policies. Europe remains an important strategic partner of the United States, as evidenced by the twelve European countries that supported America in the Iraq War. Great Britain retains its special relationship with the United States, and NATO has found a credible role in Afghanistan. Attorney General John Ashcroft and German Interior Minister Otto Schily have become close partners in crafting a common domestic counter-terrorism plan. European Union policy has shown signs of convergence with the United States on the containment of Iran's nuclear program. In promoting global free trade, moreover, despite fierce competition, there is still far more that unites America and the European Union than divides them.

Can this level of cooperation be sustained in the face of growing anti-Americanism in Europe? Will a future British or Spanish or Danish prime minister be willing to put his political life on the line if the United States does not make at least a modest effort to dampen public antipathy to American policy? Though winning hearts and minds in the Muslim world is undoubtedly necessary, remaining indifferent to those of our European allies is a terrible risk to run. After all, psychology is just as important as politics and ideology in understanding the current European milieu. Thomas Friedman has argued publicly that, in the context of the Muslim world, a feeling of humiliation is perhaps the most underrated factor in foreign policy. If this is so, then envy and resentment, especially in the case of our European partners, surely can be counted a close second.

Post-Cold War Europe has its ambitions. It yearns to be an equal partner to the United States while, at the same time, it knows its capabilities, especially in the military realm, continue to lag far behind. It is incumbent upon Europeans to address this imbalance of power by building themselves up and not tearing America down. Yet the United States must also do its part to make the disparity in capabilities more palatable by building a base of support for active engagement with America. Candidate George W. Bush once spoke of the need for a "humble" approach to the world. More than a hundred years after Teddy Roosevelt coined the phrase, Americans still have much to learn about speaking softly and carrying a big stick.

Revitalizing Public Diplomacy

THE UNITED States should adopt four tactics to advance its strategy of stemming the loss of public support among Europe's elites and common citizenry. First, senior officials must accept that public diplomacy is an integral part of U.S. foreign policy. There should be a clear understanding of the need to address legitimate European concerns. The signal that such a campaign for public opinion is crucial must originate with the president.

Second, senior administration officials need to travel and be willing to engage in serious debate with America's critics abroad. This nation's allies complain that top U.S. officials were conspicuously absent in major capitals during critical moments of the Iraq debate. In March 2003, the British magazine, the *New Statesman*, observed with disappointment that Secretary of State Colin Powell "rarely ventures out of the country." In addition to increased travel among administration principals, the U.S. government must ensure that it has ambassadors in key

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countries who are willing and able to participate actively in local debates over U.S. foreign policy. Delivering canned speeches and hosting ceremonial events are not enough; America's ambassadors must have the rhetorical skills to debate their nation's critics in all international public fora, including television.

Third, adequate financial resources must be made available. Adelman noted this problem in 1981: "Since 1954", he wrote, "the number of American information officers in Western Europe, individuals whose task it was to explain U.S. policies there, had declined by 80 percent." Proponents of this draw-down argued that sufficient information about the United States was already available through private sources and independent media (the same arguments made nearly two decades later when the State Department finally subsumed the U.S. Information Agency in 1999). Such arguments fail to convince. In 1994, Walter Laqueur wrote in *Foreign Affairs* that a single company like Philip Morris spent more on advertising in one year—$2 billion—"than the combined budgets of all U.S. agencies, official and semiofficial, engaged in public diplomacy." Since then, resources have further dwindled, as the need for public diplomacy has sharply increased.

Finally, the United States needs a renewed debate on what form effective public diplomacy should take. Unlike the marketing campaigns of Philip Morris, the primary goal of U.S. public diplomacy cannot be merely "to sell" the product of American foreign policy; it must offer explanations of, and facilitate open debate about, the ideas underpinning those policies. This kind of approach represents the United States at its best and gives Americans the best chance to persuade others of a particular policy's merits.

Failure to recognize this fact was reflected by the ill-fated appointment of Madison Avenue advertising executive Charlotte Beers immediately following the September 11 attacks to serve as the Bush Administration's top official for public diplomacy. Powell defended her appointment at the time by saying, "There is nothing wrong with getting someone who knows how to sell something. We are selling a product. We need someone who can re-brand American foreign policy, re-brand diplomacy." Besides, he added, "she got me to buy Uncle Ben's rice." By the time Ms. Beers resigned last year, this slick new style of marketing America had made little headway with U.S. allies and ambivalent Arabs.

Traditional diplomacy can only go so far. The United States must bring its case to European publics more effectively, both to advance their understanding of U.S. policies and to support those European political leaders and intellectuals who are willing to take the increasingly unpopular stand of backing America. In each of the ten countries that supported the U.S. position on Iraq, public opinion was mostly unified and strongly opposed to the U.S.-led intervention. It may be that more effective public diplomacy, increased shuttle visits by top officials and clearer, more cogent explanations of U.S. positions could at least mitigate the hostility that erupted recently against the United States. In the case of Iraq, a senior White House official conceded to one of us, "It was the American President versus Saddam Hussein, and the Iraqi dictator won in the court of world opinion."

This was not for lack of ammunition on the American side. The United States has undertaken many "Europe-friendly" initiatives, and communicating them during this same period would surely have helped win the struggle for European public opinion. President Bush conferred with the Europeans on Bosnia and Kosovo during his first year in office and refrained from withdrawing American troops. He followed Europe's advice again with regards to Russia, pursuing greater partnership and constructive dialogue with

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President Vladimir Putin. In addition, Bush has launched a major initiative to combat AIDS in Africa. He has called for a major increase in the foreign aid budget. He has worked assiduously to reach out to America's Muslim community, repeatedly declaring that the war on terror is not a conflict with Islam itself. The President has paid his country's UN arrears, announced the United States would rejoin UNESCO, tackled Afghanistan's problems with a multilateral coalition of ninety nations and sought, at least initially, to resolve the problem of Iraq at the UN Security Council. That little of this news has penetrated European debates was sorely evident when the Italian newspaper *La Repubblica* described President Bush as "Texas's 'eternal youngster'", arguing that he sees the world as "his family ranch, full of mustangs to tame with America's lasso."

If there is a need to get good news out, there is an equally pressing need to knock down slander of the United States in a comprehensive and timely fashion. Misled by their own media and mischievous politicians, many Europeans still believe Americans have tortured prisoners at the Guantanamo Bay facility. European outrage exploded after the Pentagon mistakenly released a photo showing prisoners shackled and blindfolded—reasonable precautions taken while the detainees were being transported. Everyone seemed to hear voices like those of Spain's *El Mundo*, which decried Guantanamo as reminiscent "of the torture centers in Eastern Europe during the Cold War." No one seemed to hear the voices of Red Cross workers and French and British representatives who had visited the detainees and found no evidence of mistreatment at all, as Joshua Muravchik noted in the December 2002 issue of *The American Enterprise*.

Even in influential European circles, considerable misinformation persists about America and the looting of the Iraqi National Museum, about alleged U.S. atrocities in Afghanistan and about America's role in Saddam Hussein's weapons of mass destruction program. When a *Vanity Fair* reporter mischaracterized an interview conducted with Deputy Secretary of Defense Paul Wolfowitz in May 2003, headlines around the world proclaimed that a top U.S. official had finally admitted the truth: the intervention in Iraq was really about American greed for oil. It should be the job of American public diplomacy to challenge such shoddy journalism before popular opinion on a given issue is allowed to solidify.

TRADITIONAL diplomacy is not quick and deft enough to address these challenges, Foreign Service Officers frequently lack the necessary skills for such tasks, and institutional constraints often inhibit "rapid reaction." On a range of issues—such as the need for pre-emption, the development of international law, the prospect of reforming the UN Security Council and the idea of what precisely constitutes an "imminent" threat in the post-9/11 world—a substantive transatlantic debate is desperately needed and long overdue. These sorts of challenges require serious intellectual combatants. This means a critical mass of writers, thinkers and diplomats who can engage editorial boards, join the television talk-show circuits, participate in Internet chatrooms, operate websites—not to mention debate Europe's scholars, business leaders and university students alike. Above all, it means developing a broader, nonpartisan network of like-minded individuals on both sides of the Atlantic who are dedicated to the cause of keeping the idea of the West and its ever expanding community of liberal democracies alive. Though times have changed, and the context may be different, institutions like the Congress of Cultural Freedom once worked. Perhaps it is time to consider what additional lessons history can offer. □

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Pirouettes and Priorities

Distilling a Putin Doctrine

Dmitri Trenin

IN THE beginning of 2003, the Bush Administration was genuinely surprised by Moscow's handling of the Iraq issue. President Vladimir Putin's decision to oppose the U.S.-led invasion of Iraq alongside France and Germany was arguably his most important foreign policy move since September 2001, when he boldly led his reluctant countrymen into something that promised to become a strategic partnership with the United States. Thirty months later, he seemed to have backtracked from what was seen as an underconstructed partnership. When, in spring 2003, France, Germany and Russia formed a "coalition of the unwilling", many observers believed that Putin was returning to his pre-9/11 emphasis on relations with Europe. By this fall, however, the *troika* was largely history, and relations with George W. Bush were more or less patched up. Such pirouettes are by no means reserved for relations with the United States. The Chinese, for their part, still quietly reeling after Putin's 2001 *volte-face* on the ABM Treaty, were greatly surprised by Russia's abrupt change in its stance on the Angarsk-Daqin pipeline, only a few months after Presidents Putin and Hu Jintao had formally endorsed it. The natural question to ask, then, is whether Putin's vaunted pragmatism is Russia's sole guiding foreign policy light, or does Russia actually have a foreign policy doctrine?

Dmitri Trenin is a Senior Associate at the Carnegie Endowment for International Peace and Director of Studies at the Carnegie Moscow Center. His new book on the wider implications of the war in Chechnya, *Russia's Restless Border* (CEIP/Brookings), is forthcoming.

Basic Ingredients of a Putin Doctrine

FORMALLY speaking, an official foreign policy doctrine does exist, signed by Vladimir Putin at the beginning of his presidential term in mid-2000. This was subsequently developed in a number of statements, most notably in an address to Russia's ambassadors and other senior diplomats in mid-2002. Russia also has a declared national security concept, a military doctrine and a blueprint for military modernization. Despite its usefulness as an artifact of Russian bureaucratic thinking, this body of literature can hardly provide a clear and unambiguous answer to the following important questions: What is Russia's international identity? How does it define its interests, and in what order of priority? How will it promote and, if need be, defend them? How does it relate to other international actors, in particular the United States, the European Union and China?

Obviously, one has to deal here with moving targets. Russia remains a work in

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progress. Its concrete transformation into a developed market economy and a genuine democracy will probably take up to three generations. National identity and a definition of the national interest are still in the gestation period. Before institutions will emerge, personalities will continue to matter, and the personality of the First Person above all. This is nowhere as evident as in foreign and security policy.

Without doubt, Vladimir Putin is Russia's foreign policy director. He replaced neither the foreign minister nor even the Kremlin's in-house foreign policy advisor, both of whom are holdovers from the previous administration, yet he has been able to turn Russia's foreign policy around. He abandoned Boris Yeltsin's agenda, with its desire to play an oversized role in world affairs, its old-fashioned quest for multipolarity to balance America and its *mea culpa* attitude to the notion of CIS integration. Instead, he immediately adopted a "don't mess with America" attitude, reached out to Europe, sought to rebalance relations with China, and tackled the former Soviet states one-on-one. To Putin, economic concerns were not only superior to stale geopolitical schemes; they constituted the master key to the Russian state's position in the international arena.

Thus, for the purposes of both analysis and prognosis it is very important to situate Russia's second president in the context of his country's political development. Putin is usually described as a KGB veteran, the conclusion being that he is a non-ideological pragmatist. He is also credited with practical experience in early market economics during his time as an aide to St. Petersburg mayor Anatoly Sobchak. What also distinguishes Putin from his country's other top leaders is the five years he spent in Germany, his fluency in German and his willingness to study English while on the job. Two other features are exceedingly important. Putin is both a sportsman and a lawyer. As a sportsman, he is flexible, quick in response, accustomed to competition and willing, even eager, to trade blows. As a lawyer, he is a clear, if conventional, thinker (and the best Russian speaker at the head of the Russian state since Nicholas II), and a rather cautious—some would say calculating—political actor. As a former operative, he is an excellent tactician, but no strategist.

To someone born, raised and educated in Russia's former imperial capital, two political certainties formed naturally in his mind: One, Russia is definitely a part of Europe; two, Russia owes its greatness to the power of the state. At the same time, he saw what corruption could do to a powerful state's ability to retain its position, having witnessed its rapid decline both abroad and at home. The country to which he returned in 1990 was very different from the one he had left in 1985.

Putin emerges as a *derzhavnik*, a "statist", but an enlightened one. For him, Russia is above all the Russian state, and the Russian state is nothing if not a great power. When he assumed office, he found the state in distress and immediately set about stabilizing it. He was also convinced that economic modernization was the state's key to recovery and future success. However, extensive political control was necessary to ensure stability throughout the process of modernization. Essentially, Putin returned to square one and took as his starting point pre-1917 Russia: economically vibrant, socially backward, predominantly authoritarian, but gradually evolving toward some form of representative government. He would probably echo the famous plea by czarist Prime Minister Pyotr Stolypin for twenty years of stability, during which Russia would be changed.

High oil prices since 1999 have helped Russia enormously, as has the corrective effect of the 1998 financial collapse. Under Putin, the Russian economy

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has been growing at a healthy annual rate of 5–6 percent. Not only has Russia stopped borrowing money from international financial institutions, it has proceeded to repay its Soviet-era debts on or even ahead of schedule. In fall 2003, Russia was for the first time awarded an investment grade rating by Moody's. The resulting self-confidence allowed Russia to hold firm at the WTO accession talks, which Moscow hopes to conclude with minimal concessions. Yet, Russia will remain a relatively small economic entity for the foreseeable future. Even if GDP doubles within ten years, Russia's share of the global economy will only be around 3 percent. But what makes Russia economically important to the rest of the world is its energy resources.

Never before have energy resources played such an important role in Russian foreign policy. Growing unrest in the greater Middle East turns Russia, which produces some 10 percent of the world oil, into a factor of stability in uncertain times. Putin's stance on energy puts his country squarely on the side of Western consumers, and thus helps to increase the probability that relations with the United States, the European Union and Japan will, for the most part, remain positive and friendly. Regarding relations with China, Russia has been trying to use the energy connection to rebalance an increasingly asymmetrical relationship. Russia's energy supplies to the newly-independent states of the former Soviet Union serve as a good incentive for all concerned to maintain loyal neighborly relations. Finally, Russia's oil and gas reserves make it a serious partner to the two main Middle Eastern regional powers, Saudi Arabia and Iran. Oil gives Russia a prominence it would otherwise not have retained in the post-Cold War world.

However important in budget and balance of payment terms, oil- and gas-based commerce will not guarantee Russia a bright economic future and a strong and respectable position in the world. What is needed is a fundamental transformation of the economy. Under conditions of globalization, this can only be achieved through investment and technology inflow, primarily from the West.

The U.S.-Russia Relationship

PUTIN realized this fact from the very beginning. His initial step in late-1999 involved toning down anti-American rhetoric. He then restarted the dialogue with Washington that had been so damaged by the Kosovo war, domestic corruption scandals and Chechnya. He also realized that his own international stature—symbolized by G-8 membership—critically depended on how he would be treated by Washington. Putin patiently bade his time throughout 2000 and the first half of 2001, waiting for the new administration to arrive and settle in, and then spared no effort in trying to establish a good personal rapport with his new American counterpart. At their first encounter in Slovenia in June 2001, the Russian president succeeded—probably beyond even his own expectation.

Putin explicitly acknowledged American global dominance, something that Yeltsin and Yevgeny Primakov, then-foreign minister, had found hard to do. This dominance, Putin reasoned, was but a geopolitical fact. If to "mess with America" could only be done at one's own peril, why bother? Consequently, Putin determined that Primakovian attempts to counter-balance America were useless and harmful. By unilaterally deciding to drastically slash the Russian nuclear arsenal, further reduce and restructure conventional forces and eliminate two important remaining vestiges of erstwhile Soviet global military presence—the Lourdes intelligence gathering facility in Cuba and the Cam Ranh Bay base in Vietnam (and all this *before* September 11)—Putin was signaling to Bush that he was finally pulling out of virtual competi-

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tion with the United States. Primakovism had given way to pragmatism. America had to be engaged for the benefit of Russian modernization.

The September 11 attacks brought about a qualitative leap in the relationship. Irrespective of whether Putin simply made a virtue out of necessity, he was able to capitalize on Bush's need for allies in Afghanistan. In particular, this meant that the presence of American military bases in Central Asia was not interpreted as a threat, and the U.S.-led operation in Afghanistan eliminated the Taliban threat to Central Asia and thus to Russian core interests. It also allowed Putin to fold Chechnya into the global war on terrorism, legitimizing the centerpiece of Russia's security policy since 1999.

But the spirit of the November 2001 Bush-Putin summit at Crawford, Texas left a sour aftertaste. Putin had to reconcile himself to a series of U.S. actions that cut deeper into Moscow's status than he was willing to concede. (These actions included the abrogation of the ABM Treaty, the semi-permanent American military presence in the former Soviet south and the decision to admit the three Baltic states along with several central and eastern European countries to NATO.)

Faced with these tough realities, Putin adopted a "no contest" attitude—although he obviously detested America's maneuvers, in part because the Russians had no ready-made response. It appeared to many observers that Putin's choice to side with the United States in the War on Terror was a strategic decision without a strategy. Putin was unclear about what Russia should or would receive out of this new relationship with America other than a series of "price lists." The Bush Administration, for its part, did not believe that it needed to provide additional compensation for actions it felt were also intrinsically in *Russia's* national interest. Yet Putin's minions and Russian elites felt that they had received nothing in return for their support of U.S. policy. Thus, the strategic partnership proclaimed in 2002 soon rang as a hollow phrase on both sides. The Iraq War marked both the psychological and political limit of a relationship based on reluctant acquiescence.

Putin may have been misled by the dire predictions put forth by some of his analysts concerning the consequences of the U.S. invasion of Iraq. As an astute politician, he distanced himself from the United States so as not to share the blame, but he quickly changed his tone as the war's military success became certain. Still, the fallout from Iraq did leave a deep mark on the relationship. The formula "agree to disagree", which superseded the stillborn partnership, struck a new balance. Although Moscow's growing awareness of the risks of WMD proliferation did bring it closer to the U.S. position on Iran and North Korea, Putin was at the same time rather vocal in protecting the interests of the Russian nuclear industry. Russia's post-war flexibility at the United Nations did not diminish its resolve to raise the authority of the Security Council. Following his American tour this fall, Putin felt obliged to call on U.S. journalists based in Moscow to fight back the latest American criticisms concerning Chechnya, media freedom and the YUKOS affair.

At the end of the day, the antiterrorist coalition is still being preserved as the pillar of the U.S.-Russia relationship, with Moscow maintaining all the while the freedom to disagree that characterizes certain types of friendships. Putin continues to feel that Russia does not need (and cannot afford) the United States as an adversary, but he has firmly rejected the notion of Russia as a junior ally or partner to America. Putin does not see himself as another Tony Blair. Does this "adjustment" presage Russia's turn away from America and toward continental Europe?

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Russia and the Two Wests

DURING THE 1990s, the Russian elites developed a notion of "two Wests." The "far West"—that is, America—was popularly thought to be distant, arrogant and bullying. By contrast, the "near West"—essentially the European Union—was considered close, quiet and accommodating. Rather than trying to divide the West, a feat Russia was unable to accomplish, Moscow sought to benefit from whatever divide happened to open on its own. Thus, when the going in Washington became particularly tough, Russia warmed up to Europe. When things got better in Washington and Russia enjoyed a moment of togetherness with America, Europe was usually forgotten and ridiculed for its lack of strength, or vision, or both.

Putin is not the first Russian leader to claim that Russia is a part of Europe. If one skips the usual banalities about geography, history and culture, today a European Russia means a more modern Russia, compatible with the EU, with an eventual institutional arrangement between Brussels and Moscow that falls short of full membership. Thus, Russia's domestic transformation and the formation of "common spaces" between Russia and the EU (economic, legal, humanitarian, etc.) would result in integration *with*, as opposed to *within*, the European Union.

Today, Russia deals with an essentially self-absorbed EU, which officially treats Moscow in the same league of neighbors as Morocco and Israel. Putin can hardly be happy with this arrangement. To him, a "wider Europe" is essentially composed of two principal players: the European Union, or the "near West", and Russia. To counter this benign neglect of Russia at the EU level, he deftly plays European national leaders against the EU bureaucracy in a "good Europeans, bad Eurocrats" game. True to tradition, Moscow's emphasis is on relations with the big countries—Germany, France, Italy and Britain. Central and eastern Europe are only gradually being rediscovered. Across the board, the promotion of economic ties is the top priority.

Overall, relations with Europe are close but not particularly cozy. Putin gave Jacques Chirac the cold shoulder from 1999 to 2000 because of France's criticism of the Chechnya situation. Relations with Denmark became less friendly for a similar reason in 2002. That same year, the issue of transit across Kaliningrad for future EU member Lithuania became highly contentious. Russia continues to criticize Estonia and Latvia severely for their attitude toward domestic Russian speakers and for not granting them citizenship. The Schengen issue came up in 2003 when Putin advanced an argument for Russian visa-free travel to Europe. Lastly, in an abrupt about-face from his previous position, Putin refused to ratify the Kyoto Protocol on climate change in 2003.

Even though Russian and continental European positions formally coincide on a range of U.S.- and UN-related issues, Russia as a traditional nation-state is instinctively closer to the United States than to the EU. It is Russia's present weakness that puts it into the same category as the postmodern Europeans.

East of the Urals

PUTIN'S APPROACH toward Asia is heavily influenced by his concerns about the viability of the Russian Far East and Siberia. Early in his presidency, Putin dropped the multipolar view of China as a potential ally in an America-balancing exercise. In 2000, Russia signed a formal treaty of friendship with China and soon afterward acted to transform the Shanghai Forum into a regional security organization. But Putin clearly saw the dangers of too close an embrace with Russia's giant Asian neighbor. The Kremlin certainly wants to keep a

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generally friendly relationship with China and to develop greater economic ties with it. At the same time, it is becoming more worried about the prospect of Chinese migrants settling on the Russian side of the border, thus changing the entire ethnic composition of the region and putting its Russian identity in question. Russia's demographic decline—to the tune of just under a million citizens a year—is a constant theme in Putin's pronouncements. The Russian president is desperately looking for ways to balance against a possibly gathering Chinese threat.

One such way is to expand economic and other ties to Japan. Aware of the territorial obstacle to an improved relationship, Putin was initially ready for a compromise based on the "two-plus-two" formula of the 1956 Moscow declaration. This, however, was unacceptable to Tokyo. Since then, Putin has developed a good personal rapport with Prime Minister Koizumi. As is the case with the Bush-Putin relationship, this partnership is centered on security and energy, albeit on a much-reduced scale. A degree of cooperation on the North Korean nuclear problem and the proposed oil pipeline from Angarsk to Nakhodka—which directly competes with the Angarsk-Daqin route to China—has come to symbolize the opportunities currently existing in the Russia-Japan relationship. Elsewhere in Asia, Moscow has sought to re-energize relations with India, which is viewed as a virtually unproblematic partner and a welcome addition to the continental balance.

Commonwealth or Empire?

PUTIN DOES not have a CIS-wide foreign policy concept. He regards the Commonwealth at twelve members—which for Yeltsin was some sort of atonement for his role in dismantling the Soviet Union—as unworkable and impractical. Full-scale CIS summits have grown ritualistic, but should they become substantive, there is always a danger that the other eleven states, or most of them, will gang up on Russia. Instead, Putin prefers one-on-one encounters, as they give Russia immense advantage over its former sister republics. Naturally, Moscow also backs the expansion of Russian business interests in individual CIS countries.

Putin has inherited a unification project with Belarus that, in his view, would only make sense if a union were to make Belarus safe for Russian business acquisition. With the European Union touching the limit of its conceivable enlargement at the western border of the CIS, a successful Russian economy could serve as a natural magnet not only for Belarus, but for Ukraine and Kazakhstan as well. Even as Moscow discusses with Brussels the idea of a common economic space with the EU, Putin is promoting a parallel plan: a joint economic space comprising the four largest CIS countries.

Elsewhere in the CIS, Putin's prime concern is security. Long considered moribund, the 1992 Collective Security Treaty has been recently reorganized into a smaller but more tightly-knit alliance. Its prime mission is to maintain stability in Central Asia. In 2003, a Russian air squadron returned to Kyrgyzstan for permanent basing, the first "comeback" anywhere in the former Soviet Union. Georgia's refusal to cooperate with Russia on fighting the Chechens led to Moscow imposing *de facto* sanctions on Georgia and presenting its leadership with an ultimatum.

Finally, Putin has made protection of Russian citizens abroad and support for ethnic-Russian minorities a hallmark of his presidency. Latvia and (briefly) Turkmenistan experienced Moscow's wrath over the treatment of their Slav minorities. In response to the growing Muslim activism inside Russia—some of it resulting from a decade of conflict in Chechnya—Putin opted for observer sta-

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tus at the Islamic Conference in 2003. On the issue of the openness of Russian borders to visitors from the CIS, as well as potential residents and citizens, Putin is torn between the restrictive instincts of his security aides and the need to compensate for the population shortfall. Recently, the latter has been gaining the upper hand.

Vladimir Putin may be too pragmatic to wholeheartedly share the idea of a liberal empire advanced by Anatoly Chubais, the leader of the Union of Right Wing Forces. There is little to be gained and much damage to be expected from publicly advancing such a vision. But Putin's approach to the former republics aims for maximum benefits for the Russian business community and seeks to solidify a loyal and secure environment in which Russian interests are taken seriously. Such a policy may look like an imperial design in theory, but it is not so in practice.

Assessing the First Term

THE ABOVE analysis amounts to a clear set of guidelines, if not a full-fledged foreign policy doctrine. In sum, Putin's view of Russia is as a free-standing element of the global system, positioned between the United States and the EU politically, and between America, China and Europe strategically. In implementing his vision of Russia as a successful and competitive player in Eurasia, Putin needs to face up to several major challenges.

First is the challenge of non-institutional integration. As distinct from the German and Japanese experience after World War II, or the experience of the CEE countries now, Russia stands no chance of being accepted into the European Union, and only a very small chance of being admitted to the new NATO. In the near-absence of outside pressure, Russian presidents will have to assume *the* leading role in the transformation process. Putin's instincts, however, usually drive him to the center of gravity in domestic politics rather than put him in the vanguard.

Another challenge is the lack of a foreign policy strategy, especially if one compares it with his economic strategy. Relations with America, Europe, China and Japan are often guided by short-term considerations. It is not clear what Moscow plans to achieve from contacts with its partners, and how foreign policy should assist in the central transformative task ahead. This lack of a grand strategy can be attributed to the preference for bureaucratic analysis and advice, as well as the generally conservative, archaic nature of Russia's foreign, security and defense policy elites. Nowhere is this more evident than in the armed forces. Russia's defense policy, and especially its military doctrine, is dangerously at odds with the course of Putin's foreign and security policy. While the latter sees the United States as a partner and Islamic terrorism as the prime adversary, the former justifies its unreformed condition by viewing the United States as the *de facto* enemy.

Russia's foreign relations will be significantly informed by how the Kremlin responds to domestic challenges. For the foreseeable future, Russia is likely to remain semi-authoritarian, for the simple reason that it lacks a *demos*. Thus, for a long time yet, the central question will not be so much the quality of Russian democracy as the nature of its emerging capitalism. If the oligarchic system built during the 1990s is succeeded by a "vertical" construction of stifling bureaucratic controls, Putin's modernization effort will be doomed and ditched. If uncertainties about property rights persist or even increase, there will be no investment, only capital flight. If the legal system and the law enforcement agencies continue to be routinely used by the authorities as weapons in policy or business disputes, there will be no trust in society, and all

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hope will evaporate. The cumulative international effect of it all will be Russia's progressive stagnation, degradation and marginalization due to its failure to integrate with the more advanced sections of the world system.

The Khodorkovsky affair has put Putin's record on the spot. The Russian government's stated commitment to economic reform will be more severely tested than ever. To pass that test, more than soothing words will be required. The issue of property rights will need to be tackled as the first priority. Small- and medium-sized businesses ought to be given a powerful boost by reducing, as much and as quickly as possible, corruption-breeding red tape. Structural reforms, such as in the banking sector, should be aggressively promoted. One can only expect that, in several decades' time, a more civilized version of capitalism and a firming rule of law would provide a foundation for Russian-style democracy and help narrow the values gap between Russia and the West.

It is true that the outside world has little direct influence on Russia's domestic developments. This is as it should be. Russia will be put right, or not, by Russians themselves. Still, serious Western advice matters and, when delivered frankly and privately, can be helpful. America and Europe will continue to figure prominently on Russia's modernization agenda. By contrast, calls for Russia's excommunication, whether from the Council of Europe (over Chechnya) or from the G-8 (over YUKOS) may be emotionally satisfying but are sterile and counterproductive. Russian membership of either body, after all, is not a democracy certificate, but essentially a mutual security assurance. One may hope for more, but one must not pretend that it is there now.

In all probability, Vladimir Putin will remain president until 2008. He will then either have to respond to these challenges or resign himself to his own obvious limitations. At the beginning of his career, President Putin was called, with some hope, an unfinished product. He has certainly progressed, but it would be sad if he agreed to go down in history with unfinished business. If nothing else, the sportsman in him ought to finish the job. □

What Is and What Should Never Be

If people were already what they should be and can become—then all forms of government would be the same—humanity everywhere would be ruled in the same way, and everywhere according to the original laws of humanity.

—Novalis
"Faith and Love *Or* The King and Queen"

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Russia's New Europe

Janusz Bugajski

A SPECTER IS haunting the new Europe, the specter of "Russian pragmatism." After a decade of ambiguity and uncertainty in Russian policy, Vladimir Putin's Kremlin has embarked on a coherent and rational plan to regain its influence over former satellites and to limit Western penetration in key parts of the former Soviet Union.

Two recent dramatic events have highlighted President Vladimir Putin's foreign policy ambitions: the crackdown on independent-minded big business and the assault on Ukraine's territorial integrity. Putin views the mammoth energy industries as valuable tools to expand Moscow's foreign policy influence. While Yeltsin used the oligarchs to guarantee his own power, Putin is determined to control the oligarchs to expand Russian state interests. YUKOS CEO Mikhail Khodorkovsky not only crossed the line in his domestic political ambitions, but also increasingly contradicted the Kremlin's external goals. A telling *Pravda* editorial on November 7 expressed outrage over the hue and cry in the West at Khodorkovsky's arrest. According to the editors, Putin is putting Russia back into the hands of the authorities after a "decade of lunacy under Boris Yeltsin" and is "placing a damper on the assault on Russia's resources by American companies." In recent weeks, Exxon Mobil and Chevron Texaco were vying to acquire a large part of YUKOS' shares, and this seriously disturbed Moscow.

Meanwhile, the extent of Russia's growing assertiveness toward its neighbors was on display when workers constructed a causeway across the Kerch Strait that links the Black and Azov seas between Russia's Taman Peninsula and Ukraine's Tuzla islet. Ukraine's Foreign Minister warned Moscow that the construction violated his country's territorial integrity. The Kremlin is applying strong pressure to Kiev in demanding shared sovereignty over the navigable parts of the Kerch Strait that legally belong to Ukraine, and it wants to turn the Azov Sea into an "internal water" of the two states despite Ukraine's substantially longer coastline. The incident demonstrates how Moscow has unilaterally assumed the role of a guarantor or violator of its neighbors' security. The Kerch provocation is intended to gain territorial concessions from Kiev and to test the international response. Putin has openly challenged the legitimacy of an existing CIS border, and the muted Western response will simply encourage bolder moves in the future.

Moscow is intent on steadily rebuilding Russia as a major power on the "Eurasian" stage. For this purpose, it has

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defined three categories of states in the eastern half of Europe: former Soviet republics that can develop into vassals, ex-satellite states that need to be politically neutralized and former non-allies that can become useful partners. The first category, consisting of Belarus, Ukraine and Moldova, constitute the core of Putin's current "empire building."

In the first few years of Boris Yeltsin's presidency, Moscow was accommodating toward its neighbors while it pursued a policy of radical democratization at home. This position altered as Russia's foreign policy became more assertive. Key policy documents, including the foreign policy concept and the military doctrine, were characterized by marked suspicion of Western intentions and a resolve to restore Russia's waning position as a global power. Foreign Minister Andrei Kozyrev announced a more stridently imperialist position by claiming that the entire eastern European zone remained a "sphere of Russia's vitally important interests." Such trends were reinforced after the December 1993 parliamentary elections steered Yeltsin on a more nationalist course.

With the appointment of Foreign Minister Yevgeny Primakov in January 1996, Russia took a more active and expansive role toward its former satellites. Few political leaders were willing to acknowledge the permanent loss of the union of subordinate Soviet republics. Primakov's tougher stance, coupled with his espousal of a multipolar world and the expansion of Russia's economic reach, prepared the ground for Putin's recasting of Russian foreign policy.

The Putin Doctrine

VLADIMIR Putin's election in 2000 precipitated the consolidation of a strong central government that sought to rebuild its eroded international status. This "Russia First" policy was a reaction to disenchantment with the failures of Westernization, the shortcomings of liberalism and alleged American aims to weaken Russia. Muscovite foreign policy became more coherent and methodical in terms of goals, strategies and tactics. Putin injected greater coordination between state organs, business interests and intelligence services and exploited the country's mammoth energy concerns in an effort to harness them closer to the state apparatus. This new foreign policy concept, issued in 2000, emphasized securing Russian economic interests and rebuilding Russia's economy as an important component of foreign policy.

The remnants of the KGB regained much of that institution's power as Putin systematically promoted the Russian intelligence and security apparatus, including the Foreign Intelligence Service and the Federal Security Service. High-ranking ex-KGB officials were elevated to senior Kremlin positions and the intelligence services were buttressed in their foreign operations. The reinvigoration of Russia's state security was especially troubling for countries prone to Russian domination in the past. But while Poland, Hungary and the Czech Republic fit under the NATO umbrella, Belarus, Ukraine and Moldova remained vulnerable to Kremlin pressure.

Russia's policy toward eastern Europe has been regionalized into four zones: the European wing of the Commonwealth of Independent States (CIS), the Baltic republics, and central and southeastern Europe. The European CIS (Belarus, Ukraine and Moldova) are viewed as important for regaining a broad sphere of Russian influence and projecting power toward central and western Europe. The Baltic states are considered a buffer against Western influences in former Soviet territories. Central Europeans, especially Poland, are perceived as a potentially negative source of influence over CIS neighbors and therefore in need

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of neutralization or containment. Southeastern Europe is viewed as a traditional zone of interest where conflicts could be manipulated and opportunities exploited to Russia's advantage.

Putin's Russia has set for itself six long-term objectives for that part of the world. The first goal is to achieve preeminent influence over the foreign policy orientations and security policies of nearby states. This is especially evident in the CIS, where Moscow seeks exclusive policy control, but it also applies to key countries in the other sub-regions. The Kremlin has focused on capturing political allies on the international stage and neutralizing potential opposition to Russian policy.

Second, Russia seeks increasing economic benefits and monopolistic positions through targeted foreign investments and buyouts of strategic foreign infrastructure. This can supply Moscow with substantial influence over the target country's economic, financial, trade and investment policies. Russian government officials have tried to direct capital toward nearby regions in which the Russian state has long-term strategic interests. In specific economic sectors, such as energy supplies, Russia pursues a monopolistic regional position. In addition, by reigning in some of the most influential oligarchs, the Putin Administration has sought to increase its influence over targeted foreign investments, intensify its political leverage and capture a greater share of revenues for the state.

Third, Moscow aims to increase eastern Europe's dependence on Russian energy supplies and economic investments and convert this dependence into long-term inter-governmental influence. Close connections between the Kremlin and large Russian companies—whether through executive appointments, the promotion of overseas operations, or financial, legal and police instruments—demonstrate that foreign and economic policy are closely coordinated. Furthermore, Russian enterprises themselves have sought to gain political influence through involvement with officials, parties and media outlets in targeted states.

Fourth, Russia is attempting to limit the scope and pace of Western institutional enlargement in the European CIS. Moscow has obstructed the creation of "rival alliances" such as the GUUAM initiative (including Ukraine and Moldova) that could block Russian efforts to solidify influence. Russian officials have opposed the process of security integration with NATO and sought to prevent these countries from participating in any U.S.-led coalitions opposed by Moscow, thereby ensuring closer military integration in Russian-dominated "collective security" mechanisms. Putin understands that Russia is too weak to prevent NATO enlargement in three of the sub-zones, and that any failed opposition would be domestically and internationally damaging. Instead, he has sought to minimize the impact of NATO's growth by seeking a role in Alliance decision-making to weaken its effectiveness.

Fifth, Moscow is preparing to use the region, especially the European CIS, as a springboard to rebuild a larger sphere of influence and reverse Moscow's decline as a major international player. Strategists calculate that this can be accomplished with the help of Western resources and by establishing "Great Power" status in eastern Europe and Central Asia. Russia can then pose as a key player alongside the United States and act as a balancer against American influence throughout Eurasia.

Finally, by intensifying its involvement in the European arena, Moscow seeks to weaken transatlantic relations. The objective is to strengthen the European-Russian or Eurasian strategic "pole" *vis-à-vis* the United States. By catalyzing the emerging transatlantic drift, Russia can begin revising the post-World War II order and establish a Russian-EU

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system of international security for the old continent.

A key mechanism for Russia to recreate a sphere of dominance is the CIS, which was established to bind smaller neighbors closer to Moscow and create a political superstructure that would coordinate foreign, security and economic policy. The Commonwealth, or the "near abroad", was defined as a zone of Russia's "primary interests", the unity of which needed to be restored and outside influences minimized. An important economic calculation was involved, as Moscow sought to ensure access and control over the major transportation routes and energy pipelines crisscrossing the region. Under the CIS umbrella, Russia also gained control over military facilities in its former dominions and focused on the outer border of the CIS as its own military frontier.

Russia is not intent on territorial incorporation, as this is an expensive proposition. Instead, it pursues selective domination in key areas such as energy, business and the military to enable primary influence over a country's foreign, security and economic policies. The CIS structures, although weak under the Yeltsin presidency, have provided Moscow with a vehicle for projecting political influence and limiting unwelcome Westernization. Putin's Kremlin calculated that an invigorated Russian-dominated CIS would become a distinct pole of influence in a future multipolar world. This would entail the development of supranational organs, including an economic union styled as the Eurasian Economic Community and a Collective Security Organization launched in October 2002 under Russian command. As could be expected, Moscow has pressed for "asymmetrical sovereignty", in which it assumes the decisive voice in all Commonwealth affairs.

In addition to the CIS structures, Russia has pursued more binding bilateral arrangements through the application of direct pressure against targeted governments. This has included diplomatic coercion, disinformation campaigns, military threats, peacekeeping deployments, energy controls, economic pressures, ethnic manipulation, exploitation of criminal networks and intelligence-service penetration.

Putin views economic relations as an especially valuable means of gaining political influence. As the region's dominant energy supplier, Moscow has deepened the dependence of eastern European states whose vulnerability can be transformed into political leverage. Energy and other strategic resources can be decreased or severed in order to exert pressure on particular capitals to adjust their policies. The threat of potential economic chaos through energy shortages has generated powerful pressures on neighboring governments to synchronize their policies with the Kremlin. Russian purchases of key infrastructure elements such as pipelines and refineries enable Moscow to apply additional pressure. The most vulnerable states were burdened with enormous debts that Moscow exchanged for a share in the ownership of strategically important industries, particularly in the energy sector. In this way, Moscow attached more strings to its former puppets.

Between Eurasia and Euramerica

THE STRUGGLE over eastern Europe revolves around two opposing strategic concepts: Eurasia and Euramerica. The Euramerica option envisages the close engagement of the United States in European security, whether through NATO or in various bilateral and subregional arrangements. In marked contrast, the Eurasian variant would consist of a prominent Brussels-Moscow axis in which the EU achieves a greater security role in close collaboration with Russia. While most of the new democracies clear-

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ly favor the Euramerica structure, competition with the Eurasian alternative is most pronounced in Belarus, Ukraine, and Moldova. All three countries are now defined as "strategic partners" by Moscow, which calculates that their close integration with Russia can counter the process of NATO enlargement and limit American involvement in eastern Europe.

Moscow's exertions proved most fruitful in Belarus, a country with a weak sense of national identity and whose president, Aleksandr Lukashenko, maintained dictatorial powers and harbored ambitions to become a pan-Slavic leader. A close relationship with Belarus was viewed as a strategic imperative because control over Minsk's foreign policy eliminated the prospect of a Baltic-Black Sea "belt" that could isolate Russia. Forged in the late-1990s, the Russia-Belarus union could develop into a confederated state. Another option, however, judging by Putin's August 2002 proposal, is that Belarus may simply be incorporated as a unit of the Russian Federation.

Security has been a key component of this union: Moscow pursues close military integration through the unification of defense structures, including air defense, intelligence networks and arms production. Belarus has also been wholly dependent on Russian energy and obtains highly subsidized supplies. Moscow remains Minsk's major trading partner, while the bulk of Russia's exports to Europe traverses Belarus, making Minsk's compliance all the more imperative. Through cheap energy supplies, currency-support credits and a customs union that favored Minsk, Russian economic support has contributed to salvaging Lukashenko's hold on power. In recent years, an increasing number of Belarusian enterprises have become dependent on Russian capital. Russian companies are seeking primary access in the eventual privatization of key sectors of Belarusian industry and support a Russia-Belarus monetary union.

During Putin's presidency, the pace of controlling Belarus' energy infrastructure has accelerated. In November 2002, the government in Minsk passed various legal amendments that enabled the transformation of the Belarusian gas transportation system, Beltranshaz, into a joint enterprise with the Russian company Gazprom. The Beltranshaz deal was put on hold this June as the two companies failed to agree on a purchase price: Gazprom insisted on acquiring over 50 percent of shares. In a gesture of defiance, Lukashenko declared that he would not sell Beltranshaz "for nothing" and condemned Russia's "imperialistic tendencies." He has also backpedaled on the introduction of the Russian ruble, concluding that a currency union with Russia would give the Kremlin overwhelming control. Minsk can expect to experience intensive pressure from Moscow, and Lukashenko's intransigence could result in sanctions, including higher prices for Russian energy.

For the present, Moscow has little reason to interfere in Belarusian politics, as Lukashenko's foreign policy is either in tune with Russian interests or casts Moscow in a relatively moderate light. Despite calls by Western powers for Russia to take a more active pro-democracy role in Belarus, the Kremlin is little concerned over democratization or the rule of law and was content to let Lukashenko determine the outcome of the deeply-flawed 2001 presidential elections. But Lukashenko may eventually be considered a hindrance to further integration, in which case the Kremlin will use its arsenal of influences to find a suitable pro-Moscow replacement.

Turning to Ukraine, Moscow's ideal scenario amounts to doing to Kiev what has been done to Minsk, all culminating in a close political and military alliance. For most of the 1990s, Moscow's exertions produced only limited results because of Kiev's pro-Western aspirations. However,

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during the late-1990s, Ukraine became more vulnerable to Russian influences, largely because of the political turmoil that began to surround President Leonid Kuchma. The Kremlin exploited the West's ostracism of Kuchma by posing as a more reliable ally. Power struggles between political interests, industrial lobbies and state structures continue to swirl around the country and provide opportunities for the Kremlin to pull Ukraine into a tighter orbit. The Kremlin engages in various forms of subterfuge, including energy blackmail, economic buyouts, the discrediting of pro-independence politicians, attempts at diplomatic isolation and the manipulation of ethnic issues.

Energy supplies have been a major tool of Russian policy: Ukraine remains dependent on Russia's energy monopolies for its basic needs. Moscow's ability to injure Ukraine's economy by raising prices or calling in debts creates a permanent threat to the country's domestic stability. Moreover, pressures to integrate into the CIS gradually reduce Ukraine's sovereignty, while bilateral arrangements between Moscow and Kiev have increasingly undermined Ukraine's ability to administer its own economy.

Attempts to dominate the Ukrainian energy sector accelerated under Putin. Prime Minister Mikhail Kasyanov and his Ukrainian counterpart Anatoly Kinakh agreed in August 2001 to establish an "energy union" and, in October 2002, crafted an interstate gas consortium. The Ukrainian opposition issued alerts about the perils of Russian economic dominance, and, in February 2003, the Socialist Party's spokesmen informed parliament that Russian businesses jeopardized Ukraine's national security by acquiring oil refineries, raw-aluminum production, communications and other strategic enterprises.

The progress of neighboring central European states toward EU membership is also reinforcing the dependence of Belarus, Ukraine and Moldova on the Russian market, and the Schengen regime is likely to strengthen this process. To compound its problems, Ukraine has become enmeshed in a CIS Free Trade Zone with Russia, Belarus and Kazakhstan. The arrangement was approved in August 2003 and led to protests by some Ukrainian lawmakers, who argued that this would further undercut the country's sovereignty and limit its prospects for EU entry.

The Kremlin has skillfully exploited the opportunities presented by Ukraine's political turmoil. It offered support to an embattled President Kuchma in an effort to draw the country into a tighter Russian embrace just as Western criticisms increased against his alleged human rights abuses. The importance of Ukraine to the Kremlin was underscored with the appointment in 2001 of ex-premier Viktor Chernomyrdin as Russia's ambassador to Kiev and as Putin's economic envoy. Chernomyrdin promptly criticized Kiev's policy of neutrality and intimated that such a stance could undermine Ukraine's "strategic interests." He openly interfered in Ukraine's parliamentary elections in March 2002 by publicly supporting the pro-presidential parties. Moscow remains determined to diminish the possibility that a pro-Western candidate will succeed Kuchma after the 2004 presidential elections.

Moldova remains completely dependent on Russian energy, and its foreign trade is geared toward Russia. Gazprom controls Moldova's gas pipelines while Chisinau's gas debts have been transformed into Russian assets. With its political breakthrough in Chisinau after the election victory of the Communists in 2001, Moscow made plans for further inroads into the Moldovan economy and the domination of its mass media. During Russian premier Kasyanov's visit to Chisinau in October 2001 he was given a list of some sixty Moldovan enterprises that were slated for sale and seeking

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Russian investments. Russian companies with close ties to the Kremlin have purchased numerous Moldovan industries on favorable terms or acquired properties to offset Chisinau's unpaid debts.

Peacekeeping has also proved a useful tool for Russia in its former dominions. In its peace-enforcing operations in the "near abroad", Moscow has not concerned itself with questions of legitimacy or been constrained by internationally acceptable rules of engagement or public scrutiny. In several unstable CIS states, Moscow has combined peacekeeping with counterinsurgency, or has sought to defend one of the sides in the conflict, such as the Transnistrian separatists in Moldova. The conflict itself became a means for exercising influence over political developments in Moldova in Russia's favor. Following the Communist election triumph, Moldova declared Russia its "strategic partner" despite the country's formal neutrality, and the debate on the feasibility of Moldova joining the Russia-Belarus union was rekindled. As a result of a more accommodating stance in Chisinau, Moscow now supports a federalization plan between Moldova and Transnistria, calculating that the entire state can be drawn into the Russian sphere with a permanent military presence.

America's Interests

HAVING invested enormous political, financial and military capital in securing post-communist eastern Europe, it is in America's national interest to complete this process. Surrendering any of these countries to endemic instability, authoritarianism or foreign domination invites the meddling of forces hostile to Washington and threatening to America's closest allies in the region. If the Russian Federation were a mirror image of the United States or other Western powers, then the expansion of Moscow's political and economic influence would be benign or beneficial. If Russia had a thriving liberal democracy, a vibrant civil society and a transparent market economy, then its influences could be welcomed, regardless of historical experiences. Unfortunately, this is not the case, and Russian influences need to be closely monitored and actively countered if they are destabilizing, whether as a result of energy dominance, economic leverage, political influence, criminal penetration or intelligence operations. Links between government, business and crime must be of special concern to Washington, as eastern Europe has become a major international hub for Russia's criminal "Atlanticism."

Some U.S. policymakers argue that Putin has rejected the doctrine of "multipolarity" in his dealings with the United States. However, such premature hopes were dashed when Moscow sided with France and Germany during the Iraq crisis in early-2003. Putin once again elevated "multipolarity" as a strategic objective, which for him means the pursuit of multiple power centers in order to diminish American "dominance." Before he was elected president, Putin himself chaired the meeting of the Russian Security Council that revised the country's national security concept and its military doctrine to include "unipolarity" as a threat to Russian security. In this context, to be accepted as a major "pole", Moscow believes it has a strategic imperative to integrate the key CIS states and steadily project Russia's influence farther afield.

U.S. policymakers should soberly reflect on the premature conclusion that Putin's Russia has been transformed into a reliable ally and trusted partner. Long-range Russian policy simply cannot be understood in terms of its response to a particular event (such as September 11) or a particular campaign (such as the global anti-terrorism struggle). A comprehensive

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assessment of Moscow's fundamental political and strategic objectives in various parts of the globe is urgently needed. In this context, Russian policy toward its immediate eastern European neighbors is a valuable test of Moscow's commitment to forging cooperative bilateral and regional relations and its claim of having discarded any imperial impulses.

In a strategic version of jujitsu, Putin the black belt seeks economic and political benefits from cooperation with the United States in combating international terrorism while simultaneously recreating a broad space of dominance aimed at undercutting American "unipolarity." Behind Russia's economic priorities lurks the specter of competitive politics aiming at the global redistribution of power to Russia's advantage. Putin displays a non-aggressive foreign policy in which collaboration with the United States and integration into international economic institutions is pursued in order to generate resources and markets to help rebuild and modernize the Russian economy and strengthen the Russian state.

Putin's strategy lulls Washington into a false sense of security and an illusion of permanent partnership, even as Moscow methodically seeks to rebuild the Russian state into a global challenger. In the interim, Putin has concluded that he now possesses a free hand to restore a string of vassal states along his western border and beyond, either because the West supports him in bringing "stability" to the region or because Washington is preoccupied with more pressing crises elsewhere. Ultimately, acquiescing to Moscow's objectives is certain to generate conflicts in the years ahead. Such a policy will redivide the continent and reinforce Russia's expansionist ambitions in a region still prone to weakness and torn between Eurasia and Euramerica. Ultimately, it is not just Russia's former satellites that will lose out in this scenario; the United States will as well. □

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Living with the Unthinkable

How to Coexist with a Nuclear North Korea

Ted Galen Carpenter

THERE IS A pervasive desire in the United States and throughout East Asia to prevent North Korea from becoming a nuclear-armed power, for the prospect of Kim Jong-il's bizarre and unpredictable regime having such a capability is profoundly disturbing. Two factions have emerged in the United States about how to deal with the crisis, and they embrace sharply different strategies. Yet they share an important underlying assumption: that North Korea is using its nuclear program merely as a negotiating ploy, and that Pyongyang can eventually be induced to give up that program.

One group thinks that Washington's top policy objective should be to entice Pyongyang to return to the 1994 Agreed Framework, under which the North Koreans agreed to freeze their nuclear program in exchange for fuel oil shipments and Western assistance in constructing proliferation resistant light-water reactors for power generation. These advocates of dialogue think the United States should meet North Korea's demand for a non-aggression pact and provide other concessions to resolve the nuclear crisis. Individuals as politically diverse as former President Jimmy Carter, Sen. Joseph Lieberman (D-CT), former national security advisor Brent Scowcroft and Rep. Curt Weldon (R-PA) have issued impassioned calls for a strategy of dialogue and concessions. Those who advocate that strategy ignore an important point, however: The United States has negotiated with North Korea before, but each understanding or formal agreement seems merely to pave the way for a new round of cheating and a new crisis.

The Bush Administration and most conservatives form the competing faction, which is decidedly more skeptical about the efficacy of offering concessions to Pyongyang. Moreover, it is apparent that the administration has no interest in merely restoring the Agreed Framework. Washington's goal is an agreement that would include comprehensive "on demand" inspections of all possible nuclear weapons sites. Indeed, it was that demand that contributed to an impasse in the six-party talks (involving Japan, South Korea, China, Russia, the United States and North Korea) in August.

The administration's approach combines a willingness to engage in multilateral talks with a determination to tighten the screws economically. One manifestation of the latter component is the Proliferation Security Initiative, which

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enlists the support of allies to interdict North Korea's trade in ballistic missiles, nuclear technology, illegal drugs and other contraband. The core of Washington's strategy is to forge a united diplomatic and economic front with the nations of East Asia to pressure North Korea to give up its nuclear weapons program.

But if the advocates of negotiations and concessions are naive, proponents of diplomatic pressure and economic coercion may not be much more realistic. It is not at all clear that even comprehensive economic sanctions would produce the desired policy changes. UNICEF has concluded that, because North Korea is already so desperately poor, economic sanctions would have a slight impact. Trying to further isolate one of the world's most economically isolated countries is a little like threatening to deprive a monk of worldly pleasures. Tightening economic sanctions may cause additional suffering among North Korea's destitute masses, but such an approach is unlikely to alter the regime's behavior on the nuclear issue.

Ultimately, the competing strategies of dialogue and economic/diplomatic pressure are based on the same assumption: that the right policy mix will cause the North to give up its nuclear ambitions. But what if that assumption is wrong? CIA director George Tenet concedes that North Korea may believe there is no contradiction between continuing to pursue a nuclear weapons program and seeking a "normal relationship" with the United States—a relationship that would entail substantial concessions from Washington. "Kim Jong-il's attempts to parlay the North's nuclear program into political leverage suggest he is trying to negotiate a fundamentally different relationship with Washington, *one that implicitly tolerates the North's nuclear weapons program*", Tenet concludes.[1] Robert Madsen, a fellow at Stanford University's Asia/Pacific Research Center is even more skeptical of the conventional wisdom that North Korea is using the nuclear program solely as a bargaining chip. As he argued in the *Financial Times*,

> The problem with this analysis is that Pyongyang probably does not intend to trade its nuclear weapons for foreign concessions. To the contrary, an examination of North Korea's national interests suggests the acquisition of a sizeable nuclear arsenal is a perfectly rational objective.

Given the way the United States has treated non-nuclear adversaries such as Serbia and Iraq, such a conclusion by North Korean leaders would not be all that surprising.

Pyongyang's long-standing pattern of making agreements to remain non-nuclear and then systematically violating those agreements also casts doubt on the bargaining chip thesis. In addition to violating the 1994 Agreed Framework, the North violated its obligations under the Nuclear Nonproliferation Treaty (which Pyongyang joined in 1985) and the 1991 joint declaration with South Korea to keep the peninsula non-nuclear. Such repeated cheating raises a very disturbing possibility: Perhaps North Korea is determined to become a nuclear power and has engaged in diplomatic obfuscation to confuse or lull its adversaries. If that is the case, the United States and the countries of East Asia may have to deal with the reality of a nuclear-armed North Korea.

Pre-emption vs. Containment

THE POLICY options available to forestall this dangerous development are all rather unpleasant, but one is decidedly worse and significantly more frightening than the others: the possibility that the United

[1]Quoted in the *New York Times*, February 13, 2003 (emphasis added).

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States might use military force to prevent North Korea from building its nuclear arsenal. Hawks in the American foreign policy community are already broaching that possibility. Citing Israel's raid on Iraq's Osirak reactor, Richard Perle, the influential former chairman of the Pentagon's Defense Policy Board, warns that no one can "exclude the kind of surgical strike we saw in 1981." Moreover, in what should sound alarm bells in Tokyo and Seoul, he makes it clear that America's allies should not expect to exercise a veto over that decision.[2]

Many advocates of pre-emptive military action are confident that such a course would not trigger a major war in East Asia. Those who embrace that optimistic scenario fail to explain why the North Korean elite would assume that a passive response to an American pre-emptive strike would enhance the prospects for regime survival. Given the way the United States treated Iraq, the North Koreans would more likely conclude that an attack on the country's nuclear installations would be merely a prelude to a larger military offensive to achieve regime change. The fact that some political allies of the Bush Administration openly talk about pushing regime change certainly does not reassure Pyongyang on that score.

Using military force to eradicate North Korea's nuclear program would be a high-risk venture that could easily engulf the Korean Peninsula in a major war. Indeed, it could be a war with nuclear implications. North Korea boasts that it already possesses some nuclear weapons, and U.S. intelligence sources have long believed that Pyongyang already may have built one or two weapons by the time it agreed to freeze its program in 1994. An assessment by China's intelligence agency is even more alarming. Beijing reportedly believes the North may have four or five such weapons. Worse still, press reports contend that U.S. officials have told their Japanese counterparts that North Korea is working to develop "several" nuclear warheads that can be loaded onto ballistic missiles. North Korea itself has announced that it has completed reprocessing the spent fuel rods in the Yongbyon reactor and is now building more nuclear weapons. If true, Pyongyang will soon have a deployable arsenal, not merely one or two crude nuclear devices.

A pre-emptive strike is not the answer. The nuclear variable in the pre-emption equation is too uncertain to warrant the risk for at least this simple reason: It is not at all certain that the United States has identified all of the installations, much less that it could successfully eradicate them. North Korea has had years to build installations deep underground and to disperse any weapons it has built.

It is unlikely that North Korea would passively accept the blow against its sovereignty that even a surgical strike against the Yongbyon reactor complex or other targets would entail. At the very least, Washington would have to expect terrorist retaliation by North Korean operatives against U.S. targets overseas and, possibly, in the homeland itself. North Korea might even retaliate by launching full-scale military operations against South Korea—a development that would put U.S. forces stationed in that country in immediate danger. Indeed, in a worst-case scenario, mushroom clouds could blossom above Seoul and Tokyo—or above U.S. bases in South Korea or Okinawa.

It is conceivable, of course, that Kim Jong-il's regime would fulminate about an Osirak-like strike but not escalate the crisis to full-scale war. Or perhaps North Korea's military would unravel under stress and not be able to mount a coher-

[2] "U.S. Can't Rule Out N. Korea Strike, Perle Says", Reuters, June 11, 2003.

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ent offensive. But that is not the way to bet. Even a U.S. military buildup in the region designed to intimidate Pyongyang could trigger a catastrophe. "Bold Sentinel"—a war game organized by the Center for Strategic and International Studies in May 2003, featuring a mock National Security Council comprised of individuals who held senior policy positions in previous administrations—reached the conclusion that North Korea would likely launch a pre-emptive strike in response to such a buildup. This assessment is shared by a senior North Korean defector, Cho Myung-chul, who estimates the chances of general war to be 80 percent in response to even a limited strike on Yongbyon.

Aside from its possible nuclear (and chemical and biological) weapons, Pyongyang possesses other impressive capabilities. In addition to its army of more than a million soldiers, North Korea deploys up to 600 Scud missiles and additional longer-range Nodong missiles. The Seoul-Inchon metropolitan area (which hosts roughly half of South Korea's population) is less than forty miles from the DMZ. Pyongyang is thought to be capable of firing between 300,000 and 500,000 artillery shells *an hour* into Seoul in the event of war. Even if the North were ultimately defeated, which would be almost inevitable, the destruction to South Korea would be horrific. Estimates of the number of likely casualties from a full-scale North Korean attack range from 100,000 to more than one million. That fact alone should take the military option off the table, yet the Bush Administration has publicly—and, what is worse, privately—declined to do so.

INSTEAD OF placing faith in the efficacy of negotiations with a country that has violated every agreement it has ever signed on the nuclear issue or considering the dangerous option of pre-emptive war, the United States needs a strategy to deal with the prospect of North Korea's emergence as a nuclear power. Washington should pursue a two-pronged strategy, since there are two serious problems that must be addressed. One problem is the possibility that Pyongyang might be aiming to become a regional nuclear power with a significant arsenal that could pose a threat to its neighbors and, ultimately, to the American homeland. The latter is not an immediate danger, but a North Korean capability to do so over the longer-term is a problem Washington must anticipate.

Countering the threat of a "bolt out of the blue" attack on the United States is relatively straightforward. America retains the largest and most sophisticated nuclear arsenal in the world, as well as a decisive edge in all conventional military capabilities. The North Korean regime surely knows (although it might behoove the administration to make the point explicitly) that any attack on American soil would mean the obliteration of the regime. The United States successfully deterred a succession of aggressive and odious Soviet leaders from using nuclear weapons, and it did the same thing with a nuclear-armed China under Mao Zedong. It is therefore highly probable that Kim Jong-il's North Korea, which would possess a much smaller nuclear arsenal than either the Soviet Union and China, can be deterred as well. As an insurance policy to protect the American population in the highly unlikely event that deterrence fails, and for other reasons besides, Washington should continue developing a shield against ballistic missiles.

To counter North Korea's possible threat to East Asia, Washington should convey the message that Pyongyang would be making a serious miscalculation by assuming it will possess a nuclear monopoly in northeast Asia. North Korea's rulers are counting on the United States to prevent Japan and South Korea from even considering the option of

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going nuclear. American officials should inform Pyongyang that, if the North insists on joining the global nuclear weapons club, Washington will urge Tokyo and Seoul to re-evaluate their earlier decisions to decline to acquire strategic nuclear deterrents. Even the possibility that South Korea and Japan might do so would come as an extremely unpleasant wakeup call to North Korea.

The United States does not need to press Tokyo and Seoul to go nuclear. It is sufficient if Washington informs those governments that the United States would not object to them developing nuclear weapons. That by itself would be a major change in U.S. policy. In addition, Washington needs to let Seoul and Tokyo know that the United States intends to withdraw its forces from South Korea and Japan. In an environment with a nuclear-armed North Korea, those forward-deployed forces are not military assets; they are nuclear hostages.

Faced with a dangerous neighbor possessing nuclear capabilities and a more limited U.S. military commitment to the region, Japan or South Korea (or perhaps both countries) might well decide to build a nuclear deterrent. The prospect of additional nuclear proliferation in northeast Asia is obviously not an ideal outcome. But offsetting the North's illicit advantage may be the best of a set of bad options. Simply trying to renegotiate the 1994 Agreed Framework is unlikely to induce North Korea to return to non-nuclear status. Diplomatic pressure and economic sanctions are not likely to achieve that goal either. And pre-emptive military strikes are too dangerous.

The one chance to get the North to abandon its current course is for Washington and its allies to make clear to Pyongyang that it may have to deal with nuclear neighbors (translation: the North would no longer be able to intimidate them in the same strategically advantageous way). Indeed, Pyongyang could face the prospect of confronting more prosperous adversaries possessing a greater capacity to build larger and more sophisticated nuclear arsenals than North Korea could hope to do. The North may conclude that ending its cheating strategy and keeping the region non-nuclear would be a more productive approach. Even if Pyongyang does not do so, a nuclear balance of power—a MAD for northeast Asia—would likely emerge instead of a North Korean nuclear monopoly.

Additionally, the prospect of a nuclear-armed Japan is the one factor that could galvanize Beijing to put serious diplomatic and economic pressure on Pyongyang to relinquish its nuclear ambitions. Charles Krauthammer has expressed this thesis starkly in the *Washington Post*:

> We should go to the Chinese and tell them plainly that if they do not join us in squeezing North Korea and thus stopping its march to go nuclear, we will endorse any Japanese attempt to create a nuclear deterrent of its own. Even better, we would sympathetically regard any request by Japan to acquire American nuclear missiles as an immediate and interim deterrent. If our nightmare is a nuclear North Korea, China's is a nuclear Japan. It's time to share the nightmares.

Even if one does not embrace Krauthammer's approach, the reality is that, if the United States blocks the emergence of a northeast Asian nuclear balance, it may well be stuck with the responsibility of shielding non-nuclear allies from a volatile, nuclear-armed North Korea. More proliferation may be a troubling outcome, but it beats that nightmare scenario.

But some of the most hawkish members of the U.S. foreign policy community are terrified at the prospect of America's democratic allies in East Asia building nuclear deterrents. Neoconservative

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activists Robert Kagan and William Kristol, writing in the *Weekly Standard*, expressed horror about the possibility of such proliferation: "The possibility that Japan, and perhaps even Taiwan, might respond to North Korea's actions by producing their own nuclear weapons, thus spurring an East Asian nuclear arms race . . . is something that should send chills up the spine of any sensible American strategist." This attitude misconstrues the problem. The real threat to East Asia is if an aggressive and erratic North Korean regime gets nukes. Nuclear arsenals in the hands of stable, democratic, status quo powers such as Japan and South Korea do not threaten the peace of the region. Kagan and Kristol, and other likeminded Americans, embrace a moral equivalency between a potential aggressor and its potential victims.

The other component of the North Korean nuclear problem is even more troubling. The United States and North Korea's neighbors can probably learn to live with Pyongyang's possession of a small nuclear arsenal. What the United States cannot tolerate is North Korea's becoming the global distributor of nuclear technology, potentially selling a nuclear weapon or fissile material to Al-Qaeda or other anti-American terrorist organizations. Pyongyang has shown a willingness to sell anything that will raise revenue for the financially hard-pressed regime. North Korea earned $560 million in 2001 alone in missile sales—including sales to some of the most virulently anti-American regimes[3]—while, in the spring of 2003, evidence emerged of extensive North Korean involvement in the heroin trade.[4] As Deputy Secretary of State Richard Armitage remarked before the Senate Foreign Relations Committee in early-February 2003, "the arms race in North Korea pales next to the possibility . . . that she would pass on fissile material and other nuclear technology to either transnational actors or to rogue states."

Preventing that development, which is clearly the goal of the Proliferation Security Initiative, will certainly not be easy. Successful interdiction as a general policy is a long shot at best. The utter failure to halt the trafficking in illegal drugs using that method does not bode well for intercepting nuclear contraband. It would be difficult to seal off North Korea in the face of a concerted smuggling campaign. Indeed, it is especially daunting when one realizes that the amount of plutonium needed to build a nuclear weapon could be smuggled in a container the size of a bread box.

SINCE interdiction is unlikely to prove successful except on fortuitous occasions, the United States needs to adopt another approach. First, Washington should communicate to North Korea, both in private and publicly, that selling nuclear material—much less an assembled nuclear weapon—to terrorist organizations or hostile governments will be regarded as a threat to America's vital security interests. Indeed, the United States should treat such a transaction as the equivalent of a threatened attack on America by North Korea. Such a threat would warrant military action to remove the North Korean regime. Pyongyang must be told in no uncertain terms that trafficking in nuclear materials is a bright red line that it dare not cross if the regime wishes to survive.

That warning should be the large

[3]The North has developed a sophisticated sales network for marketing its military wares. See Bertil Lintner and Steve Stecklow, "Paper Trail Exposes Missile Merchants", *Far Eastern Economic Review*, February 13, 2003, pp. 12–15.

[4]See "Heroin Trail Leads to North Korea", *Washington Post*, May 12, 2003; "U.S. Fears Heroin Paying for Nukes", *Washington Times*, May 21, 2003; and "North Korea Is Said to Export Drugs to Get Foreign Currency", *New York Times*, May 21, 2003.

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stick in Washington's policy mix. The carrot should consist of a willingness to extend diplomatic recognition to, and lift all economic sanctions on, North Korea. Making that country's economy more prosperous is the most realistic prospect for ensuring that North Korea can derive sufficient income from legitimate sources and thus will not be tempted to engage in nuclear proliferation. That, of course, will require extensive economic reforms by North Korea along the lines adopted by the People's Republic of China over the past quarter-century.

Lifting economic sanctions is certainly no guarantee that North Korean leaders will have the prudence to adopt the required reforms, but Pyongyang has shown some signs in recent years of modifying its ideology of *Juche* (self-sufficiency) and opening itself to the outside world economically. In the spring of 2003, the North Korean regime started building market halls around the country to encourage the activity of private merchants, and it loosened rules about who may do business and what may be sold. Surprisingly, even foreigners will be allowed to sell their products in the new markets. "Before, they were tolerating private business. Now, they are encouraging it", concluded Cho Myong Choi, a North Korean defector who once taught economics at Kim Il-sung University in Pyongyang.[5] True, these are initial—and somewhat hesitant—steps on a long path, and Washington cannot do much to advance North Korea's economic reforms. The North Koreans will have to do the bulk of the work. At the very least, though, the United States should not put obstacles in the path of reform.

A policy mix of such carrots and sticks would hardly produce a perfect outcome. The strategy would, however, trump the alternative of vainly trying to bribe or pressure Pyongyang to relinquish its nuclear ambitions, even as evidence mounts to the contrary. And it certainly beats the reckless option of launching a pre-emptive war. As is often the case, the best a policy can ultimately accomplish is less than ideal. What matters instead is that it works. □

[5]Quoted in "Communist State Pushes Free Enterprise", *Los Angeles Times*, June 19, 2003.

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Averting the Unthinkable

Stephen J. Morris

THE IMMINENT prospect of North Korea becoming a nuclear power is the most severe threat to the security of the United States and the rest of the Western world today. The anxiety that this prospect brings with it is compounded by the fact that there are no realistic prospects of solution to this threat being offered.

Under pressure from allied and domestic opinion, the Bush Administration has reluctantly entered into multilateral negotiations with Pyongyang. While there may be very good political and military reasons for negotiating with such an intractable enemy at this moment, there is little prospect for these negotiations succeeding. The reason is simple: any agreement to ensure North Korean nuclear disarmament entails intrusive international inspections, and Pyongyang will never allow such inspections—regardless of past or future treaty obligations. If the United States is serious about preventing North Korea from becoming a nuclear power, it must face the necessity of regime change in Pyongyang.

Regime change does not necessarily entail the overthrow of communist party rule in North Korea. What it does entail is the replacement of the current totalitarian dictatorship led by Kim Jong-il. For both strategic and moral reasons, a democratic North Korea is in America's best interest. But an authoritarian dictatorship on the Chinese model, committed to economic and social reforms, would be an acceptable second choice. While some Western analysts recognize the necessity of a structural transformation of North Korea's economy, they do not comprehend that this entails a regime change, imagining instead that the necessary reform process could be transacted by the present leadership.[1]

Regime change in North Korea will not occur voluntarily. Coercion—preferably the unarmed sort and with at least the participation of China—will be necessary. But America should prepare itself to go to war, with allies if possible, alone if necessary. Yet few of those negotiating with Pyongyang—least of all our South Korean allies, who adhere to a demonstrably bankrupt policy of appeasement laced with bribery—and not even reasonable Americans offering advice from outside, are yet willing to face this awful reality.

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[1]See Michael O'Hanlon & Mike Mochzuki, *Crisis on the Korean Peninsula: How to Deal with a Nuclear North Korea* (Washington, DC: Brookings Institution/McGraw Hill, 2003) for an example of this assumption.

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The Nature of the Threat

THE CURRENT regime in North Korea is an Orwellian nightmare—the concept of totalitarian dictatorship in its purest form. All power is in the hands of a pseudo-charismatic dictator, synthetically creating the image of mass devotion to his personal genius but in fact ruling by fear through a pervasive apparatus of secret police surveillance and bureaucratic party-state control over every aspect of daily life—including, most importantly, the supply of food and shelter. Its moral inspiration is the Soviet tyranny of Joseph Stalin, whose Red Army installed this regime in 1945. The North Korean regime is responsible for the death of millions of its own subjects—through mass executions, a gulag system equal to, if not more villainous than, the Soviet one, and central planning policies that have led to mass starvation and gruesome poverty for those who survive. The great historical achievement of Korean communism is to have caused a famine that has killed off a greater percentage of the population than has occurred anywhere else in the world (Pol Pot's Cambodia possibly excepted).[2]

The structure of power in Pyongyang has remained unchanged since its inception—surviving, indeed, being enhanced by a dynastic transfer of power in 1994 from the father and "Great Leader" Kim Il-sung to his only begotten son and the "Dear Leader", Kim Jong-il. While the threat to the world emanates from North Korea's international behavior, not its domestic structure, the internal nature of the regime is of great relevance to understanding the dangers inherent in that behavior.

Over the course of its existence this regime has violated every norm of civilized international behavior. It has not only harbored international terrorists (the Japanese Red Army) who had hijacked aircraft and massacred civilians at airports, the regime has itself engaged in terrorism, shooting down a South Korean airliner in 1988 (killing all 115 on board) and assassinating members of the South Korean cabinet who were on a state visit to Burma. Over many years, it has kidnapped civilians from South Korea—to satisfy Kim Jong-il's personal need for a technically sophisticated film industry—and from Japan—in order to train North Korean spies in Japanese language and culture. It engages in the illicit trade of both weapons (including selling ballistic missiles to Libya, Iran and Syria) and narcotics (such as heroin, which it transports to criminals in Western countries).[3] Most ominously, as we all know, it has secretly developed nuclear weapons, breaking a number of signed agreements.

In 1994, the United States discovered that North Korea was building a plutonium enrichment facility at Yongbyon. The Clinton Administration, which had considered bombing the facility, then decided to take what appeared to be a less politically costly course: negotiations. The "Agreed Framework", signed in Geneva on October 21, 1994, required North Korea to cease and dismantle its nuclear programs in return for the United States providing fuel and a light-water reactor that would generate electric power but not provide fuel for nuclear weapons.

Their signature turned out to be worthless. In the summer of 2002, the

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[2]For a detailed study of the famine see Andrew Natsios, *The Great North Korean Famine: Famine, Politics and Foreign Policy* (Washington, DC: USIP Press, 2001).

[3]This year, for example, a North Korean freighter with a crew of thirty, led by a member of the Korean Workers' Party, was intercepted by the Australian Federal Police, Customs officers and Special Forces off the coast of Australia after a four-day pursuit, following its unloading in Lorne, Australia of 50 kilograms of heroin worth AU$80 million. See *Sydney Morning Herald*, April 21, 2003.

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United States discovered evidence that North Korea was cheating the world: Pyongyang was secretly building a uranium enrichment plant that could produce nuclear weapons. U.S. Assistant Secretary of State James Kelly brought this charge in October 2002, and, to everyone's surprise, the North Koreans admitted their deception. Then, on December 22—two days after a narrow majority of South Koreans elected as president the soft-line candidate Roh Moo-hyun, who had promised not to use sanctions or pressure against the North to change its nuclear policies—the North Koreans announced that they were removing United Nations monitoring equipment from the sealed plutonium nuclear reactor at Yongbyon. The next month, North Korea announced it was withdrawing from the Non-Proliferation Treaty.

If the North's facilities are not shut down and the spent fuel rods are not shipped out of the country, North Korea will be able to produce several nuclear weapons within months—if it has not already done so.

MANY analysts assume that this series of moves is part of a game of extortion, whereby Pyongyang gets promises of Western economic assistance to prop up its shattered economy in return for agreeing not to proceed with nuclear weapons development. But if this is a shakedown, it is not indefinitely reusable; hence it will be unable to solve Pyongyang's long-term economic problem. This is not to say that extortion is not part of Pyongyang's calculus, but rather that the North is seeking the bomb for other reasons. Indeed, weapons sales have been a major source of hard currency for the bankrupt regime. More ominously, nuclear weapons capability serves Pyongyang's basic strategic objectives, which are incompatible with those of Washington and its allies.

Who does North Korea threaten most by its acquisition of nuclear weapons? The first and most obvious target is South Korea. Nuclear weapons would give the North's massive but technically inferior conventional forces a new strategic advantage *vis-à-vis* the South: Pyongyang's acquisition of nuclear weapons is probably not aimed primarily at changing the force balance between North and South Korea directly. Rather, the acquisition of nuclear weapons is a geostrategic decision meant to deter the United States and the region's other powers from intervening on the side of the South in any future conflict.

North Korean missile development has now reached the point where it has the capability to hit all major Japanese cities. Before too long it will also be able to strike America's western coast. Absent nuclear warheads, such a capability is militarily insignificant. With nuclear warheads, such missiles would be a lethal first strike force and, as such, could be considered by the North as a deterrent to hold tens of millions of Japanese civilians, the Japanese economy and millions of Americans hostage during a North Korean assault against the South.

This is not to suggest that Pyongyang, upon acquiring nuclear weapons, plans to invade the South shortly thereafter. The North is well aware that the United States has plans to retaliate massively in a manner that will topple the regime should it invade the South. More likely, Pyongyang wants this deterrent as a shield behind which it will be able to conduct its "rogue nation" activities—such as missile, chemical weapons and narcotics sales abroad—with impunity. Furthermore, it will have the deterrent available for some future occasion when the United States is tied down, say, halfway across the globe and hence unable to bring to bear its full military capacity in defense of South Korea.

But the most chilling threat posed by a North Korea gone nuclear is its ability to provide nuclear weapons material to

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terrorists, in particular Al-Qaeda. There is no reason to believe that Pyongyang would have a moral qualm about doing this. Moreover, North Korea has a track record of being one of the world's great proliferators of weapons technology.

It is also known from documents acquired in Afghanistan that Al-Qaeda wants to acquire a nuclear capability. So a weapons transfer from Pyongyang to Al-Qaeda is not a nightmare scenario from a science fiction novel but a real possibility. The notion that any transfer of nuclear weapons-grade material to Al-Qaeda would be detected easily by the outside world is false. Weapons-grade nuclear bomb material is tiny in size. It could be transported out of North Korea in at least two ways: first, by land through the porous border with China; or second, by mini-submarine (the North has several) to a small boat that could then transport it by ship to Pakistan or some other poorly-governed nation, where a friendly, well-paid, Al-Qaeda-sympathizing scientist could transform the material into one or more bombs. Those bombs could then be placed in separate containers and shipped to, say, New York, Boston, Montréal, San Francisco, London, Marseilles, Tokyo and Sydney, and detonated. A successful nuclear attack on America and its allies would not only kill hundreds of thousands of people instantly, it would poison tens of millions more with radiation and render major Western shipping centers uninhabitable for years, devastating the economies of the West. This would be Al-Qaeda's ultimate doomsday scenario.

As of now, no reliable inspection method exists for detecting the presence of a nuclear weapon in the millions of shipping containers that enter American or other Western nations' ports each week, nor the means of tracing the genesis of such after it has exploded. The perpetrators of an Al-Qaeda nuclear attack are unlikely to be traced, and, in any case, the fingerprints of Pyongyang would not be directly evident. It is a low-risk policy for Pyongyang. Its main advantage would not consist of the funds provided by Al-Qaeda, but the probable disorientation and weakening of the United States, Pyongyang's main enemy.

The Fundamental Problem

THE NATURE of the regime provides an impenetrable barrier for any policy of verification of agreements. Nuclear disarmament is extremely unlikely without regime change.

The most important starting point for any understanding is recognition that this is a totalitarian *tyranny*. Like Joseph Stalin's Soviet Union, Mao Zedong's China, Enver Hoxha's Albania, and Pol Pot's Cambodia, this type of regime is the most extreme in terms of the regime's suspicion of its citizens, not to mention foreigners, and the pervasiveness of state controls of the economy and society. It is also a highly personalized regime, led by a deeply paranoid dictator.

We have learned, or should have learned from the behavior of the other examples of this, that the system of total control is a matter of regime choice, not necessity. The regime will not be subject to economic incentives to change the total political, economic and social system. This type of system exists to satisfy the ideological and psychopathological needs of the dictator, as Robert C. Tucker noted in his book *The Soviet Political Mind*. That is why he does not care about its economic inefficiency, nor about the massive cost of the system in terms of losses of millions of human lives. That is why the regime cannot be bribed into reform.

The systems of tyrannical totalitarian control in the USSR, China and Albania ended only with the death of the dictator, and in Cambodia with the regime's overthrow by foreign invasion. Not that they became democratic as a result, but at

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least the range of human freedom was less circumscribed. So long as Stalin, Mao, Hoxha and Pol Pot held power, their regimes could not retreat to the authoritarian-communist systems that now operate in China and Vietnam. The authoritarian reform alternative has been available for Kim Il-sung and his heir Kim Jong-il to see for two decades. Since the advent of pacifist governments in South Korea—first under Kim Dae-jung in 1998 and under Roh Moo-hyun since 2003—South Koreans have been advocating such a development. Yet, the North Korean leader has shown no genuine interest in emulating it.

A radical totalitarian tyranny is incompatible with a system of intrusive weapons inspections. Such inspections challenge the existence of such a system. Weapons inspectors, whatever their nationality, are assumed to be foreign spies. Compounded with this is the fact that the paranoid, fear-driven nature of such a system impedes the dictator from having a proper understanding of his political and military situation and his realistic options. This point has been made by others with regard to the Iraqi system of political decision-making.[4]

Saddam's regime is but the latest example of the irrational decision-making of this particular sort of tyrant. Recall the example of Stalin's decision in 1937, at a time when he feared a dire military threat from Germany, to purge the Soviet officer corps of its most talented generals in the paranoid belief that they constituted a threat to his regime. This only weakened the Soviet Union's ability to resist its predatorial enemy, and thus encouraged an eventual Nazi invasion. On the basis of delusions, Stalin had weakened his regime in a bid to strengthen it.

Recall Mao Zedong's decision in 1963 to confront both the Soviet Union and the United States at the same time and then to launch the Cultural Revolution in 1966, which undermined the position of his armed forces, among other things. Like Stalin, Mao overestimated his regime's own strength for years and underestimated the resolve of his enemies. This almost led, in 1969, to a Soviet strike against China's nuclear weapons installations. Finally, recall Pol Pot's decision to attack Vietnamese villages in 1977 and his continuing provocations and refusal to negotiate with his immensely more powerful neighbor after his army's defeat in 1978, believing that his tiny army could win on the basis of its ideological purity. This fantastic behavior led the Vietnamese to invade and overthrow his regime.[5]

The point is that totalitarian tyranny is not merely irrational but has tendencies toward self-destruction—a result only narrowly avoided in the Soviet and Chinese cases, but not in the Cambodian case. And these comparisons have a deeper resonance when one realizes that the current North Korean regime is not merely similar in its political structure and mentality to the Pol Pot regime in Cambodia. Phnom Penh under Pol Pot and Pyongyang under Kim the elder maintained a close political, diplomatic and advisory relationship. Indeed, while Pol Pot was in power, North Korea actually inspired and advised the regime. In fact, in 1979, after Vietnam invaded, the North Korean advisers had to flee Cambodia to Thailand to avoid capture.

It is fatuous to believe that Kim Jong-il is a misunderstood closet cosmopolitan, who is just waiting for the right foreign gesture to make him more

[4]Ken Pollack, *The Threatening Storm: The Case for Invading Iraq* (New York: Random House, 2002). The evidence of Saddam's massive miscalculations in 1991 (when he was driven from conquest in Kuwait) and in 2003 (when he was driven from power in Iraq) confirms this point.

[5]Stephen J. Morris, *Why Vietnam Invaded Cambodia: Political Culture and the Causes of War* (Stanford, CA: Stanford University Press, 1999).

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reasonable in his domestic and foreign policies. Unfortunately, such thinking is widespread in the broad political culture and in the corridors of power of South Korea—a nation that should be America's most important ally against North Korea.

South Korea's Attitude Problem

ONE problem inhibiting American foreign policy, and in fact encouraging North Korean nuclear adventurism, is the attitude of South Korea. Over the past decade, South Korea's political culture has gradually adopted a left-wing, pacifist and appeasement-oriented attitude toward the North and an increasingly virulent hostility toward the United States.

A study by the Pew Center for the People and the Press in May 2003 found that 50 percent had an unfavorable view of the United States and 43 percent had a favorable view. In June 2002, 53 percent had been favorable and, in 2000, 58 percent had been favorable.[6] A poll conducted by the Korean Gallup organization in late-2002 found that 53 percent of South Koreans disliked the United States and only 37 percent liked it. In the same poll in 1994, 64 percent liked the United States and 15 percent disliked it. This change is correlated with age: in South Korea, the older one is, the more likely one is to be staunchly pro-American and anti-communist; the younger one is the more one tends to be trusting and even affectionate toward the North, while distrustful of and openly hostile to the United States. A well-to-do 29-year-old South Korean woman expressed the typical attitude of younger Koreans toward America:

> If the United States left I wouldn't mind. . . . If North Korea wants nuclear weapons, I think they should have them. The U.S. and so many other countries have them. There's no way North Korea will attack us with them. I don't think so. We're the same country. You don't bomb and kill your family. We share the same blood.[7]

The current South Korean government of Roh Moo-hyun, like the Kim Dae-jung government that preceded it, reflects the views of the younger generation. The political consequences of this normative shift have been devastating for American policy and heartening for the North. No longer are political defectors from the North widely publicized in the South, and refugees are not as welcome as they once were.

Attempts by private citizens to make the North more open to information from the outside world are not tolerated by the Seoul government on the grounds that this will upset the authorities in Pyongyang and make the process of peaceful unification more difficult. For example, in August 2003, a group of South Koreans led by the German human rights campaigner Norbert Vollertsen attempted to send transistor radios into North Korea on specially designed cargo balloons. The purpose was to break Pyongyang's monopoly on news and information to which its subjects were exposed (all radios in North Korea can only pick up the government station) by making available radios that could pick up Korean-language government and private stations in China, Russia and South Korea. South Korean police intervened and stopped the action before it could begin, in the process subduing the middle-aged Vollertsen so roughly that he had to be hospitalized.

Another striking example was provided a few days later. During the Universiade international sports games in the South Korean city of Daegu, where North

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[6] *Views of a Changing World* (Washington, DC: Pew Center for the People and the Press, 2003).

[7] See *Washington Post*, January 9, 2003.

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Korean teams participated, a small group of protesters carrying banners insulting Kim Jong-il were attacked by three North Korean "journalists" in attendance. Many of the protesters needed medical treatment as a result of the beating. But Seoul's response did not include the arrest of the thugs or the lodging of a formal protest to Pyongyang. Rather, Seoul apologized to the North, labeling the protesters "provocateurs."

HOW HAS this political cultural shift happened? It would be easy to blame the policies of the Bush Administration, in the manner of many on the American and European Left. It would also be wrong. The Pew Center study showed that, of those South Koreans who had an unfavorable view of the United States, when given a choice between blaming the Bush Administration or America generally, or both, 72 percent felt that the United States generally was the problem, and only 20 percent blamed the Bush Administration in particular for their attitudes. (These figures contrast starkly with anti-American sentiment in Europe. There, of that part of the population holding an unfavorable view of the United States, 74 percent in France, 74 percent in Germany, 67 percent in Italy and 50 percent in Spain believe that the Bush Administration is the problem, while only a small minority blamed America generally.)

Given that these attitudes are generationally different, the explanation of anti-American political attitudes in South Korea is rooted in generational issues. Older South Koreans recall directly the Korean War and the atrocities of the North. They were the ones most affected by the separation of families that took place as a result of the communist regime. The older generation still sees the United States as a factor of salvation and looks to the totalitarian North with dread, noting America's role as protector during the South's rise from poverty to wealth.

On the other hand, the younger generation, born into relative prosperity, recalls most vividly the struggle against the dictatorships of the South from the 1960s on. For them, the Kwangju massacre of students by the military government in 1980 is the focal point of collective memory. They recall that Pyongyang supported the students, while Washington supported the military dictatorship. They became even more susceptible to Marxist interpretations of Korean history. By the late-1980s, those students had become the South's university professors and high school teachers, in an Asian version of what the German intellectual agitator Herbert Marcuse called the "Long March through the institutions."[8] The myth that America was responsible for the division of the nation, and that it caused the outbreak of the Korean War, permeates the younger generation's thinking, with the writings of University of Chicago historian Bruce Cumings serving as their basic texts. The recent discrediting of his theses by revelations from Soviet archives has made no impact upon these deeply held prejudices.

One political result was to encourage Kim Dae-jung's "sunshine policy": an attempt, through what Western policymakers like to refer to as "constructive engagement", to transform North Korea peacefully into a more open society, one that would trade and allow cultural interaction with the South. The ultimate hope is to eventually discover a basis for peaceful reunification of the divided Korean peninsula. Even if the policy had been partially successful in facilitating more economic and cultural openness in North Korea, there was still the unanswered question of how a people divided by two completely antithetical political

[8]See Uwe Siemon-Netto, "*Sonderweg*: The Closing of the German Mind", *The National Interest* (Winter 2002/03).

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systems would ever be able to unite. Only two 20th-century examples provide models. The reunification of North and South Vietnam came about as a result of military conquest and the overthrow of a non-communist government by a communist one, backed to some extent by both China and the Soviet Union. The reunification of Germany came about only as a result of the peaceful collapse of the communist system, when the Soviet-trained and protected German communist elites lost the support of their "elder brother" and, lacking the ruthlessness of tyrants, lost confidence in their own ability to rule. Proponents of the "sunshine policy" do not propose that either of these examples provide a model for Korea. How then will reunification happen?

Apart from its conceptual muddle, the "sunshine policy" was from the beginning a dismal failure in practice. To ensure a summit meeting between the leaders of the two Koreas, Southern officials and businessmen secretly paid Pyongyang hundreds of millions of dollars in bribes. The North has established a capitalist zone in the far north of the country, adjacent to China, where such economic activity can be isolated from the rest of the country. And the cultural opening—a promise of travel between the two zones that would enable divided families to spend some time together—was a farce that has only occurred once, and then only of a scanty 200 elderly people out of a pool of millions of eligible divided family members. The current North Korean leadership retains control of most economic life and has displayed no substantial interest in transforming the North into a politically authoritarian market economy and society like that of China.

Even if the December 2002 election results in South Korea had brought to power a hard-liner, thus keeping Seoul and Washington closer together on the Pyongyang question, the fact remains that, since September 11, South Korea and the United States face different threats from the advent of North Korean nuclear power. Washington is at the top of Al-Qaeda's hit list; Seoul is not. As such, American and South Korean security priorities have begun to diverge fundamentally.

The Specter of Regime Change

HOW CAN regime change in North Korea realistically occur? Two scenarios present themselves. The least bloody option calls for Beijing to make use of its near-total control over so much of North Korea's energy and food supply by essentially supporting one faction against another and foment a *coup d'état* in Pyongyang, the result of which would be to put Pyongyang on a firm road to a China-style reform-oriented communist regime. Why would Beijing want to do this? Some suggest that Beijing fears the regional proliferation that would result from Pyongyang's arrival to the nuclear club. Japan and South Korea would be bad enough, but Taiwan would be unacceptable. Additionally, Beijing might decide that the danger of ethnic Muslim separatists in western China acquiring a nuclear device from the North, via Al-Qaeda, might be sufficient to warrant a pre-emptive action against the North.

More significantly, it appears that the most compelling reason for China to act against the North is the reasonable fear that, if Beijing does not act against Pyongyang, Washington might. For, if the United States were to overthrow the regime in North Korea, it would likely expect a non-communist regime to emerge in the aftermath and would accelerate steps leading toward the unification of the two Koreas under a pro-American, democratic capitalist regime. Having such a regime on its border

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would adversely affect China's strategic environment, so China's motivation to act to change the regime in Pyongyang would be greatly affected by its perception that decisive American military action would result absent Chinese intervention.

Here is where the Iraq situation has complicated things greatly. On the one hand, before the Iraq War, Beijing was detached from the burgeoning crisis on the Korean peninsula. American officials complained about this fact often. Yet after the Iraq War, Beijing suddenly became open to Washington's suggestions that it should participate in and even host negotiations. No doubt the display of American resolve and military skill in the Middle East has convinced China to become involved in trying to solve the Korean crisis peacefully. On the other hand, the tying down of American troops in Iraq, in an unexpectedly complicated and probably drawn out counterinsurgency, and the stretching of American military deployments worldwide, means that American military options on the Korean peninsula are extremely limited.

The United States certainly has more than enough air power in the region. But it is doubtful that, at this moment, America has the ground forces required to conduct the kind of military operation that would enable it to overthrow the regime in the North by force. And this leaves aside the moral concerns that may constrain an American president from taking such a drastic step. At present, the only likely scenario of forcible regime change involves the direct involvement of the South Korean military. Given the political climate in South Korea, this will not happen unless the North directly attacks the South. Yet this essay has argued that the likelihood of an imminent North Korean assault on the South is slim. Or is it?

THE UNITED States has suggested on occasion that, if Pyongyang does not accede to a disarmament plan, it will propose the institution of sanctions and an economic blockade against North Korea. Sanctions, if enforced by the currently negotiating nations, especially China and Russia, may well cause the collapse of the regime. Pyongyang has publicly responded that it would regard such a policy as a declaration of war. Moreover, it promises under such an eventuality to turn Seoul into a "sea of fire." That would be a direct assault on South Korea and certainly trigger an armed response from the South. With South Korean forces involved alongside the 37,000 U.S. forces already in country, plus those in Okinawa, and the full power of the United States Air Force in the region, Washington could bring enough military force to bear to topple the regime. It would not be a pleasant solution to the problem. But it would be decisive. And it may be the only solution, no matter how horrible the costs might be.

We must be brutally honest about the consequences of "kicking the can down the road", as the Clinton Administration did in 1994 and some in the Bush Administration may be prepared to do today. No one looks forward to war with North Korea. But other prospectively greater evils are at issue here: Al-Qaeda nuclear detonations in New York and other American or Western ports would be intolerable. They would be apocalyptic. They could result in the immediate loss of as many lives, perhaps more, as any war on the Korean peninsula. They would leave an environmental catastrophe in their wake that would turn affected major urban centers into wastelands for decades to come. They would stain the world with their ugliness in an unprecedented way and, in so doing, could spell the end of Western economies and societies as we know them.

Can we allow that to happen? □

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ON AUGUST 14TH, blackouts crippled the Canadian province of Ontario and the eastern United States . . . . Then, on August 28, London was plunged into darkness. One month later, Italy's entire electrical grid shut down. These highly visible blackouts have called into question a global trend in the electric power industry.

—Greg Aliff & Branko Terzic, "Today's Electric Power Grids"

THE GLOBAL ECONOMY is entering a period in which demand for oil will exceed supply for the first time. Several economic and political trends are simultaneously converging that indicate the international oil and natural gas markets are about to experience a major restructuring process.

—Charles Kohlhaas, "Energetic Markets: Oil & Gas Will Swing Again"

NO ONE IS SATISFIED with the current energy policy status quo but few seem willing to make the hard decisions and uncomfortable compromises necessary to do anything about it."

—Joe Barnes, Amy Jaffe & Edward L. Morse, "The New Geopolitics of Oil"

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The Next Pope

Uwe Siemon-Netto

THE END IS near. Before long, the College of Cardinals will have to elect a successor to Pope John Paul II. His will be a tough act to follow. To begin with, the new man on Saint Peter's throne must be able to preach the Christian social ethic without succumbing to the lure of radical liberation theology. In other words, he will be expected to do what is theologically imperative yet stay clear of left-wing clericalism. This quality is all the more essential if one considers these demographic projections: By 2025, some 2.6 billion people in the world will be Christians of all stripes. Of these, 67 percent (and about 75 percent of Roman Catholics) will live in Africa, Latin America and Asia, according to Philip Jenkins, author of *The Next Christendom*.[1] These are precisely the continents where Christianity has been experiencing a relentless growth—and where poverty still abounds.

Should the next pope be any less sensitive to global social concerns than John Paul II—or should he, conversely, proclaim a social Gospel rather than preaching social responsibility from the Gospel—the consequences might be catastrophic. The shepherd of a billion people could easily divide his own flock by siding with one half against the other. This could perhaps cause huge numbers in the global North to turn away from the Church of Rome altogether in favor of secularism or, conversely, drive the disappointed "have-nots" into the arms of a competing belief system, such as Islam.

Thus, the College of Cardinals will undoubtedly look for a candidate who understands these issues and knows how to tackle them with diplomatic finesse and theological clarity. Three of the most urgent concerns arise from the current situation: the challenge from Islam, the re-evangelization of the global North (especially Europe) and the need to overcome postmodern chaos—in particular by continuing to reach out to the young, an endeavor in which John Paul II particularly excelled.

Dealing with Islam

ARGUABLY, John Paul II has so far played a pivotal role in preventing the current conflict between radical Islamists and the West from degenerating into a global fracas between Islam and Christianity more

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[1] *The Next Christendom* was reviewed by Kenneth Minogue, "Religion, Reason and Conflict in the 21st Century", *The National Interest* (Summer 2003).

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generally. One of his pontificate's accomplishments has been the maintenance of relatively harmonious relations with most Muslim nations and moderate Islamic thinkers without jeopardizing Israel's existence. This topic merits a separate study; suffice it for now to point to a few remarkable events.

There was, for example, the alliance between the Vatican and Muslim nations against the Clinton Administration's attempt to establish a right to abortion as a global human entitlement at the Cairo World Population Conference in 1994. In a sense, this alliance lives on in a remarkable way. Muslim organizations have joined the efforts of evangelical Protestants and Mormons to defend the Holy See's permanent observer status at the United Nations. This status, which is accorded to states without full UN membership, is under attack from feminist and pro-abortion groups advocating the Vatican's demotion at the UN to the level of an NGO. The issue here is really whether the world body should or should not continue to recognize the Vatican's statehood. This problem will doubtlessly endure well into the next pontificate.

There was also evidence of the Vatican's diplomatic skills when it played a key role in resolving the standoff between Israeli forces and armed Palestinian activists holed up in Bethlehem's Church of the Nativity in 2002. And there was the display of mutual respect between the pope and Muslim—as well as other—religious leaders during the Assisi prayers for peace.

In Assisi, the pope adroitly avoided the charge of religious relativism by eschewing interfaith prayers, which are anathema to orthodox Christians and Muslims alike. Each faith group worshipped at a different location—Christians with Christians (Catholic or otherwise), Muslims with Muslims, Buddhists with Buddhists, Hindus with Hindus. These encounters may not have sat well with some unyielding evangelical and Catholic traditionalists, but they were exemplary in that they explored the extent to which different religions can seek common ground on penultimate issues—such as the quest for peace—without compromising their theologies. And a process was set in motion to explore the world religions' shared principles as a tool of an ancient craft that had lain dormant for a long time and is now enjoying a renaissance: faith-based diplomacy.

It was John Paul II who introduced the concept of the "Abrahamic religions" as a family of faiths, sometimes courting the accusation that he blurred the uniqueness of Christ, truth incarnate. However, all major Christian denominations acknowledge the presence of elements—if not the fullness—of revealed truth in other religions, particularly in Islam. The underlying principle here is the Christian dictum, "God never leaves himself without witness", meaning in the present context that He has left His traces in other faiths as well. How the next pope handles this issue can be of vast geopolitical consequence. Will he or will he not build on John Paul's accomplishments?

In particular, will this new pope subtly buttress moderate Muslim scholars and thus entice them to abandon their quiescent ways? Will he, in other words, help them overcome their fear of being pilloried and possibly killed as apostates by the noisy and lethal minority of radical Islamists? Will he, using the Vatican's immense experience in diplomacy and intelligence, strive to establish a kind of rapid-reaction team of outstanding Christian, Jewish, Muslim and other leaders to intervene jointly and immediately when religious peace—which in the current global context might possibly mean world peace—is in jeopardy?

Muslim sages will be unable to take the lead in this. For them, the perils are

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simply too great, which is why they have failed so far to act courageously to forestall abominations in Islamic lands.

A case in point is Nigeria, the epicenter of Christian growth in Africa but also of an increasingly dangerous confrontation between the two burgeoning monotheistic faiths—a country where faith-based diplomacy is urgently needed. Take the recent worldwide uproar over of alleged "adulteresses" sentenced to be stoned to death. These verdicts were reversed, primarily thanks to the intervention of organizations such as France's *Avocats Sans Frontières*, the European Parliament and the news media. It would have been preferable had Muslim sheikhs, imams and jurists gone there and proclaimed that such sentences are in violation of and hurtful to Islam. (When I interviewed some of these scholars, they all agreed privately that they really should go and speak up, but they did not do so for fear of being killed as heretics.)

Thus, it will be crucial for the next pope, using his unique standing in the world's religious community, to shore up Islamic leaders by acting jointly with them—and with other Christians, of course, principally the powerful Anglicans in Nigeria—to temper the clash of civilizations, which no longer appears as an analytic warning but a fact.

Re-Evangelizing Europe

IF A CLASH of civilizations were to emerge, however, will the West be in a condition to resist attacks on Christianity while at the same time avoiding civilizational chauvinism? Under John Paul II, the Catholic Church in Europe has been careful not to play the "anti-Islam card." As archbishop André Vingt-Trois of Tours once told me, "We Christians need not fear the rapid growth of Muslim communities in our midst due to mass immigration. All we have to do is develop once again a strong Christian faith." But can that condition be met? Will Europe return to its Christian roots or further decline into a relativistic postmodern entity oblivious to its own history and mission? Will France's post-Revolutionary ideology of total secularism prevail, or will faith be reborn there and in Europe more broadly? All of these open questions increase the need for wise religious leadership and heighten the political significance of the next pope in Europe.

Many observers see a new religious awakening in the United States, but there are also signs—faint and uncertain though they may now be—of a revival of perhaps an even more profound Christian thought and practice in continental Europe. The astonishingly lively debate over whether or not the words "God" and "Christianity" should be mentioned in the new constitution for the European Union is one sign that the Old World may be slowly shifting away from its doctrinaire secularism.

Consider that on November 13, 2003, an impressive group of 22 European leaders—including former presidents Richard von Weizsäcker of Germany, Mario Soares of Portugal and Arpad Göncz of Hungary; the former chancellor of Austria Franz Vranitsky; Constantin Mitsotakis, former Greek prime minister; and René-Samuel Sirat, the former chief rabbi of France—published a critique of "the limits of a narrowly 'secularist' vision of European societies." They argued that "ignorance about religious matters has become a danger both for a country's democratic life and cohesion, and for the full development of the European project." This constituted a direct attack on the French elites' vision of a secularized Europe.[2]

[2]There are other reasons to suspect a re-evangelizing of Europe: the huge interest in new Bible

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More than twenty years ago, Jean-Marie Lustiger, then a parish priest, won the pope's admiration by proposing the re-evangelization of France "from the head down", meaning that first the much-revered and immensely influential intellectual elite must be won over. When John Paul II promoted Lustiger to become archbishop of Paris, and then cardinal, this Jewish-born convert to Catholicism put his plan into action by preaching every Sunday night to the *maîtres-penseurs* and students at Notre Dame cathedral. Not until earlier this year did the French media note how much has changed as a result. *Le Figaro* ran a surprising eight-part series of articles on the reappearance of Christian intellectuals from the cerebral catacombs where they had been buried for many decades.

The once mighty French church has changed its strategy and self-image from that of a national powerhouse to a church in mission. This has begun to filter down to the parish level. I spend a considerable part of the year in the Charente region of southwestern France. For the most part, this region has been thoroughly secular since the French Revolution. Thus, it was considered a sensation in my village to have an energetic, 31-year-old priest assigned to our local church—and *forty* other altars nearby. When I asked him about signs of renewed spiritual life, he replied, "I see myself as a missionary, and wherever I go, young people come to me in great numbers, seeking to reconnect with the faith of their ancestors, which they see as the only way out of the materialistic hopelessness around them."

This French movement is spilling over into neighboring countries, especially Germany. According to a study by Paul M. Zulehner, dean of the theology department at the University of Vienna and a sociologist of religion, a growing thirst for things spiritual—but not necessarily all Christian—has become evident in Europe's urban centers.

John Paul II, determined to bring the Gospel back to Europe, used this spiritual thirst in many ways. One such way was the speed with which the Catholic Church moved into eastern Europe and especially eastern Germany—the land of Luther—following the collapse of communism. It accomplished much, to the visible chagrin of Protestant churches numbed by this sudden turn of events and waffling over whether they should, for example, fulfill the Great Commission by providing chaplains to the military (even though this presented a splendid opportunity to reach the young, some of whom literally believed that the crucifix represented a gymnast).

Winning Young Hearts and Minds

THE CATHOLIC Church has had no such hesitation; it moved right in and created ecclesiastical infrastructures aimed at the youth. The rewards of this strategy may only become discernable decades from now, but this is in line with the Catholic Church's goal to groom a new German elite capable of offering its country real religious leadership.

Will the next pope maintain this

translations and adult catechism classes in France; the 3,000 or more grownups baptized in Catholic and Protestant churches every Easter Night; the fact that every ninth day a new evangelical congregation is born in France; the plea by ex-revolutionary Régis Debray, formerly Ché Guevara's companion, for a return to the instruction of religion in public schools; the massive lay enrollment at the *Institut Catholique*, the renowned theology school in Paris; the abundance of Protestant seminarians and pastors and their Church's shift from political causes back to orthodox theology; the tens of thousands of Catholic lay leaders taking over pastoral functions in the absence of a sufficient number of priests.

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momentum created by John Paul II? Will he share his predecessor's passion for Europe's unification and renewal? Or will he treat the Continent with benign neglect, paying more attention to the global South instead—with the potentially dangerous and unsettling political consequence of leading Africans, Asians and Latin Americans to conclude that God has perhaps turned his back on Europe?

John Paul II will certainly be remembered as an apostle to the world—but chiefly to youth. "You are my hope", he told tens of thousands of young people assembled in St. Peter's Square in Rome in 1978, and these words have remained his motto throughout his pontificate. I remember how flabbergasted French political leaders and trade unionists were when nearly a million people, including many non-Catholics, crowded the pontiff in Paris on World Youth Day of 1997. Nobody else has ever drawn such an audience. At the closing Mass, 500,000 young believers received the sacrament—all neat and disciplined young Christians representing, in the minds of some observers, the true but generally hidden France. Five years later, these scenes repeated themselves at the World Youth Day in Toronto, where between 600,000 and 800,000 young people came to see an ailing pope, twitching from Parkinson's with spittle running from a corner of his mouth. He impressed them nonetheless by the strength of his endurance.

John Paul has always been the consummate pedagogue—by his own example and the example of others, such as the huge number of people he has beatified and canonized. The reason for this is profound: the pope has consciously attempted to present the youth with alternative models to emulate—not rock stars, but an Edith Stein or a Mother Teresa. It was the pope's conviction that a huge institution like the Church could not be directed with rules and principles alone; flesh and blood models of an ethical life were equally important. This he learned studying the German philosopher Max Scheler (1874–1928), about whom he wrote his second doctoral dissertation.

The youthful yearning for such models—in the church as in any other walk of life, especially politics—has, if anything, increased over the course of his reign. Marc Yaconelli, a Presbyterian lay minister and leader of the highly successful Youth Ministry and Spiritual Project, based in San Francisco, never ceases to quote the desperate cry of his teenage wards: "They are prepared to listen, but they tell their parents' generation: 'Show us! Show us by your own example that you mean what you say.'" John Paul II has shown the young that he meant what he said. It will be left to his successor to help translate this Scheler-based principle deeper into the realms of politics, economics, the judiciary and culture.

An African Pope?

MANY HAVE begun to speculate about the identity of the next elected pope. Some Vatican-watchers believe that this time the Italians will make sure that one of their own will once again ascend St. Peter's throne. Should this be the case, the new pontiff would surely continue John Paul's work in trying to accelerate the re-evangelization of Europe. To what extent any of the potential Italian candidates will excel in coping with Islam and is appealing to the imagination of the young is an open question.

But there are also non-Italian candidates. Philippe Barbarin, the 53-year-old archbishop of Lyon, resembles John Paul II in personal holiness, which appeals to today's young generation and impresses Muslims. He is also a consummate pastor and a model of the contemporary leader of France's "church in mission." Cardinal

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Christoph Schönborn, the 59-year-old archbishop of Vienna, has similar qualities. As behooves a Dominican friar, he is also a pulpit prince, a brilliant theologian and a specialist on Catholic-Orthodox reconciliation. What's more, he is familiar with Islam and popular with the powerful Italian block in the College of Cardinals. But should the Spirit move the conclave to elect yet another Slav who has suffered under Nazism and Communism, who is committed to ecumenism, interfaith dialogue and the re-evangelization of Europe, then Cardinal Mirsolav Vlk, the 71-year-old archbishop of Prague is considered a good prospect.

That said, a well-qualified non-European candidate appears alongside the above mentioned list of *papabili*. He is Cardinal Francis Arinze, age 71 and currently prefect of the Vatican's Congregation on Divine Worship. Arinze is an Ibo, a member of a Nigerian tribe reputed for its energy and high level of education. As former president of the Pontifical Council for Inter-Religious dialogue, he ranks as a leading expert on conversing with Muslim leaders, among whom he enjoys tremendous respect.

Like John Paul II, Arinze is noted for great intellectual clarity, especially when dealing with non-Christians. He makes plain that those who do not know Christ are still included in God's plan of salvation, yet he steers well clear of syncretism. In his own words: "the other religions are expressions of the human soul seeking God, with some beautiful spiritual insights, but also not without error. Christianity is rather God seeking humanity."

From his speeches, it is clear that Arinze shares John Paul's commitment to guiding the developed world back to faith. Nor does he shy away from reading self-indulgent Westerners the riot act. Earlier in 2003, he shocked students and professors at Georgetown University when he told them in a commencement speech:

> In many parts of the world, the family is under siege, opposed by an anti-life mentality as seen in contraception, abortion, infanticide and euthanasia. It is scorned and banalized by pornography, desecrated by fornication and adultery, mocked by homosexuality, sabotaged by irregular unions, and cut in two by divorce.

Like John Paul, he is able to win a wide audience with such plain talk because he has charisma, humor, enjoys a good laugh and is an avid sportsman (with a preference for soccer and tennis). What's more, he has one important asset John Paul lacked when he became pope: nearly twenty years of experience at the papal curia, which, in addition to his studies in England, has given him ample knowledge of the ways of Europe.

A Vatican insider from Nigeria, which is currently the venue of Christianity's fastest growth; an expert on dealing with Islam; a strong voice against postmodernism; and a man capable of inspiring the young—all these qualities could make this African cardinal one of the most powerful political and spiritual figures in the world. With Christianity flourishing in the Third World, and with Europe perhaps on the verge of a religious revival but nonetheless standing to benefit from missionary advice from its former colonies, Arinze would be my choice for pope. But then one must allow that Lutheran laymen do not have a vote in the Conclave. □

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The Q-Man

Joe Bob Briggs

I'M SAD to report that our favorite North African despot has turned a little jowly in recent years. He's lost that Neil Diamond Grecian-bust look he had going on in his revolutionary youth, and when he loads himself up with military sashes and decorated pockets and epaulets and that broad-brimmed braided cap, the Colonel resembles nothing so much as an officious constable in a Gilbert and Sullivan operetta. Maybe he's doing it on purpose. Maybe it's the new kinder, gentler friendly-guy-next-door Qaddafi. The title of "Colonel", after all, *was* conferred by the Brits. What kind of guy goes through life *wanting* to be the Colonel? We associate it with Colonel Sanders, not to mention Colonel Klink. It's the daft blundering guy who never quite makes general.

But then again, I think it's just Muammar's version of modesty—as much as he can muster anyway. He's always struck me as a guy who was not entirely comfortable addressing a Popular Congress, and I suspect he's spirited away a few Cuban Cohibas over the years. In this brave new world of post-Lockerbie Libya—no sanctions, no embargoes and the creation of a Libyan *tourism* ministry, of all things—I can almost imagine Muammar settling down into a Lazy Boy recliner in his Hush Puppies and channel-surfing from time to time. His recent speeches have even shown a disturbing familiarity with the Internet. The mind boggles: "Hey, whassup, peeps! I can be kinda wild, but I'm really an easygoing guy who likes to cuddle."

Is it possible? Has the Q-Man gone soft? Does the Director of Secret Operations knock on his tent flap in Benghazi and say, "Sir, we have three troublesome émigrés in Paris. Would you like us to send The Squad?" And does Qaddafi then say, "Oh, you know what, that's so *seventies*. Just run some articles in the Tripoli papers saying they have sex with dogs or something."

Of course, Qaddafi has always been the most mysterious of all pariahs. He has homes all over Libya, but chances are you'll find no Saddam-style golden saunas or hideaways for assignations with porn stars. Qaddafi is the Ward Cleaver of international dictators. He had that first brief marriage in the 1970s, then he found the girl of his Islamic dreams and stayed with her through five children who went through angst-ridden teenage years. If he'd had his heart in being a true Mohammedan super-despot, he would have had five wives and attendant offspring spread out all over the desert. Instead, he's got all these disappointing sons who are bored by the idea of being the next "Guide of the Revolution" and want to open car dealerships and go to football games

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instead. The only family member with an eye for politics is his daughter Aisha, who shops in London and Paris and *could* actually run the country—the Arab heads of state like her that much—but Muammar would have to go through some kind of *sharia* hell to make that happen.

Still, everything we know about Qaddafi is seen through a fuzzy curtain. He's always been so exotically remote to us that he even has a name that's impossible to pronounce or write in English. The man is a Google nightmare. Various attempts have been Gadhafi, Gadaffi, Gadhafi, Gadhdhafi, Kaddafi, Kadhdhafi, Khadafy, Qadaffi, Qaddafi, Qadhafi, Qadhdhafi and Qathafi, but no one really knows whether it's a "G", a "K" or a "Q", not to mention where all the h's go. His official biography is remarkably devoid of details about his early years—probably because they were spent organizing various cells plotting murder and revolutionary mayhem—but it always begins with "born in a desert tent near Surt." I've always suspected that the constant mention of Surt is an attempt to identify Qaddafi with the nation's main source of wealth—its oil fields—which lie in and around Surt and were not discovered until 1959, but were obviously squandered until a proper Surtite could marshal their economic power, primarily by seizing everything the Brits and Americans had built there. (The only American company, by the way, that stood up to Qaddafi's nationalization of the oil fields was the privately held Hunt Oil of Texas. Nelson Bunker Hunt harassed Libya in every court in the world until the Colonel finally wrote him a check to get rid of him. Apparently Bunker and Muammar understand each other.)

What we do know is that Qaddafi had no special interest in being a soldier except as a means to an end. He seems to have been obsessed with revolution even when clad in knee breeches at the British-style Sabha prep school in Fezzan. (You can imagine his entry in the class yearbook. "Hobby: deposing the monarch.") Following the example of his idol, Gamal Abdul Nasser, he entered the Military Academy in Benghazi, where his first secret corps was formed. He went on to the British military academy at Sandhurst, where he and his confederates took blood oaths to oust King Idris I. As it turned out, it wasn't that big a deal. The 1969 coup is always described as simple and "bloodless." Idris was part of the discredited and all but forgotten Senoussi monarchy installed by the allies after World War II, so there was no way he could be seen by the people as anything but a stooge of foreign interests. His real battle came afterwards, when he had to defeat the older officers who helped him but thought 27 was a little young to be donning the Fearless Leader hat. It took him three more months to turn them out.

LIBYA HAS such a strange history—with its shifting borders, Bedouin politics, dozens of foreign masters and lines redrawn in the sand (literally)—that it has remained suspicious of *all* foreigners, even those who would be the equivalent of what Canadians are to America: namely Egyptians, Tunisians and Chadians. Most African countries have staged some kind of jihad against European imperialists—be they British, French, Dutch or Belgian—but Libya is the only one to harbor everlasting hatred for *Italian* imperialists. Libya remains, in fact, the site of one of Italy's only foreign adventures, and a disastrous one at that. One of the first things commander-in-chief Qaddafi did in 1970 was to expel all the Italians that King Idris had failed to drive out 25 years earlier, including the ones that had hung on for three generations. (He even had the graves of their ancestors dug up and their bones disposed of.) He followed that performance by ousting the Jews, then closing the U.S. air base at Tripoli and the

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British barracks at Azizia. Inside those barracks today is Qaddafi's official tent, decorated on the inside with embroidered weavings of his famous sayings; on the outside, however, it is drab and unadorned, with a couple of picturesque camels tethered nearby for the desired effect on foreign visitors.

With the nation properly cleansed of pasta, blintzes, kidney pie and hamburgers, the Bedouin zealot then set out to become the kind of man only Lawrence of Arabia could appreciate. He believed in a true confederation of all Arab states, joined together under Islamic law in a union so strong they would become a third superpower. He was, in short, that most dangerous of dictators: the true believer. He set out his views in the *Green Book* (all three volumes of which are now conveniently available on Qaddafi's personal website), and we should give the man credit for being one of the most concise prose stylists in the history of tyrannical lunacy. You can actually read the entire *Green Book* in half an afternoon, and, although Muammar would not like this characterization, most of it is Communism Lite. He rails *against* communism, of course, because he was trying to adapt a socialist society to fit with *sharia* law, which wouldn't condone female bulldozer operators and quickie divorces. But, for the most part, it's an idiosyncratic blueprint for a sort of unwieldy socialist superdemocracy, with everything managed by "popular congresses" (but not parties—parties are evil) that come to a common agreement without electing anyone (because "representative democracy" is equally evil). Everything belongs to the people. Everybody gets universal social services. Nobody owns anything or makes more than his neighbor. The workers own the natural resources. As long as OPEC was strong and the nation had a $9,000 per capita income, this was all fine. When that fell to $2,000, of course, the system came apart at the seams.

BUT LET'S not dwell on that. Let's recall Qaddafi's glory years, the 1970s, when there was no country too small (has any other country signed a mutual defense pact with Guinea?) or too large (he sent bags of money to redneck presidential brother Billy Carter) for Qaddafi to get his hands dirty. What's strange about these years is that you can't discern an overarching *purpose* in any of it, except perhaps Destabilizing the Entire Universe, like some villain in a James Bond movie.

Qaddafi was constantly trying to form Arab super-states by merging with Syria or Egypt or with Chad and Sudan, but then withdrawing and sometimes *declaring war on* his former allies when it became apparent that he couldn't be the leader of the whole chain of McArab states. He was so disappointed in Egypt, homeplace of his spiritual mentor Nasser, that he built a 200-mile-long wall to protect Libya from what had become, overnight, an infidel country because of its acceptance of Israel. In the Iran-Iraq war, Qaddafi intervened on the Iran side, even though Libya's population is overwhelmingly Sunni. He broke off relations with Saudi Arabia over the "U.S. occupation" there, even though any plan for his pan-Arab dream relied on Saudi goodwill. He bought massive amounts of armaments from the Soviet Union, thereby betraying his Chechen comrades, and kept up a constant war of nerves with his MIGs playing chicken with American recon planes near the Libyan coast. When oil was discovered in the Mediterranean, halfway between Libya and Malta, he declared that the territorial waters of Libya included everything up to 12 miles from the Maltese shore, a position that almost resulted in war. He invaded Chad in order to force it to become his friendly partner. He sent some dirty-tricks squads to Nigeria that caused an outbreak of violence, leaving one hundred dead.

Qaddafi also had an affection for

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resistance fighters and revolutionaries everywhere, no matter whose side they were on. To give you some idea, he funneled money and arms to *Scottish* revolutionaries. (What do *those* meetings look like? I imagine six kilted old geezers at a banquet table in Inverness.) Some of his revolutionary largesse seemed to fit in with his pan-Arab goals (the Moros of the Philippines, the Palestinians); others were just plain wacky: radical natives in South America, the New Jewel Movement in Grenada, the Irish Republican Army (!), the Basques and the Kurds (so much for Iraq joining the Arab super-state). He had a special fondness for Louis Farrakhan's Nation of Islam, as well as the Black Panthers, and he tried to give Farrakhan a billion dollars on the occasion of Farrakhan's receiving something called the Qaddafi Human Rights Award. (Don't laugh. Remember, Libya is the current chair of the United Nations Commission on Human Rights, in spite of holding the world record for longest imprisonment of a journalist: Abdullah Ali al-Sanussi-al-Darrat, jailed in 1973 and still caged—place of confinement unknown.) The United States blocked the billion, by the way.

What makes this all possible, of course, is oil. Without the oil, Qaddafi would be one more wacky but ineffectual African dictator. As it is, he's like an International Monetary Fund for illegitimate governments. He's apparently never met a secessionist he didn't like, funneling support to breakaway guerrillas in Chad, Eritrea, Lebanon, the Canary Islands, Wales (!), Egypt, Sudan, Corsica and Sardinia. He even gave his blessing to the American Jesus-freak movement, Children of God, which apparently passes muster on the strength of its anti-government beliefs. (He's been officially declared a messiah by the Children of God, an honor he accepted reluctantly, apparently after being convinced it would help his Muslim missionary goals.)

BUT IS Qaddafi a changed man? He recently turned 61, which happens to be the average life-expectancy for a Libyan, and he doesn't seem so keen on murder in his declining years. He was never an indiscriminate assassin in the first place. Like the Mafia, all killings were kept in the family—people he thought had betrayed him in one way or another. His notorious *Service special des renseignements*—assassins who carried out hits in Rome, London, Athens, Beirut, Bonn and Milan—had eliminated most of his chief political opponents by 1980. Most were shot, one was strangled and one was decapitated. The decapitation seems to be his only indulgence in Idi-Amin-style vengeance. For the most part, he's been, by dictator standards, a moderate bloodletter.

Of course, there's the widespread belief that he was responsible for the explosion that knocked Pan Am flight 103 out of the air over Lockerbie, Scotland, leaving 271 dead. Even though he's publicly apologized for it and turned over two men to international courts, he's never said he ordered it, and it's unlikely that he did. When you're supporting various terrorist cells in every nation on the planet, sooner or later one of them is going to do something that threatens your oil sales. Perhaps to make this point, he was the first Muslim leader to condemn Al-Qaeda after the September 11 attacks. "Irrespective of the conflict with America", he said, "it is a human duty to show sympathy with the American people and be with them at these horrifying and awesome events which are bound to awaken human conscience."

The statement was especially significant because it's been widely assumed that much of his grudge against Europe and the United States has been intensely personal. His grandfather was killed by an Italian colonist in 1911. His infant daughter was killed in a U.S. bombing raid on

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his personal residence in 1986. In the days immediately following, he expressed his hatred for President Reagan in several colorful ways and said it was legal to *eat* American soldiers since they had been revealed to be animals. He rarely speaks this way anymore—perhaps because his country has just recently returned from the brink of economic collapse, perhaps because he doesn't have to. In Western marketing terms, "Qaddafi" is a mature brand, so high-concept that the word itself inspires allegiances and blind loyalty that doesn't need further proof of quality. He can afford, like Disney or Coca-Cola, to diversify without fear of losing his core business.

This doesn't mean he can't occasionally call for the saber and the musket, but it usually takes something on the order of an actual assassination attempt. Ever since 2,000 Libyan soldiers plotted to assassinate him in 1993—the biggest threat to his power he's seen so far—Qaddafi has pretty routinely dealt with the various opposition figures who want to kill or depose him. One advantage of being an Islamic, as opposed to a Christian or Jewish, dictator is that everyone knows up-front that, if you try to kill the king, there will be no trial, no waiting period, no speeches and no mercy—you're dead the moment you're caught. His crack troops, the Green Guard of the Revolution, handle the necessary formalities, if any arise. Qaddafi is avenging one serious assassination attempt every two years or so, plus the occasional bloody riot at a football game (a peculiarly Libyan form of social protest), and even a few foreign-financed jobs. (It now appears that the 1996 attempt to kill him was orchestrated by MI6, with help from Al-Qaeda. *Now* that post-9/11 speech starts to make sense.)

Otherwise he's lost his flair for the dramatically brutal gesture. Gone are the days when he suggested torpedoing the Queen Elizabeth II as it carried Jews to Israel to celebrate that nation's twenty-fifth anniversary. Today Qaddafi contents himself with repeatedly resigning from office—so the people can demand he return—and making apocalyptic pronouncements. (The CIA is spreading AIDS worldwide. It's the beginning of "The Age of Chaos." All armies will be destroyed and civilians will be taught to fight. The coming revolution will start inside America, where corporations will join with minorities to destroy the government. Soon world markets will end.) And fortunately for his international image, he remains eminently quotable: "Israel is nothing but a mirage, something that does not exist."

In fact, his recent speeches and interviews (if you can call them interviews, considering that the questioners frequently address him as "Great leader") indicate that he's dwelling on ever subtler forms of worldwide disruption. One of his favorite words is "virus", which he uses in several ways, but the utility of computer viruses is obviously uppermost in his mind: "Viruses today are much more stronger than cruise missiles." He openly gloated over the dotcom bust, and he recently proposed further destabilizing the Western economy by simply counterfeiting billions of dollars and euros. Is it just a coincidence that, since he started talking about it, the U.S. treasury has been forced to change the designs of its currency, including, so far, the one hundred, twenty and five dollar bills?

MEANWHILE, all his friends from the 1969 Revolutionary Council have drifted away. Four have retired, one was killed in a car accident, another was killed in a coup attempt. Abdel Moneim Al-Huni joined the Libyan opposition in 1975 and survived a Qaddafi hit squad, then—remarkably—reconciled with the Colonel and is now Qaddafi's ambassador to the Arab League. The man considered

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Qaddafi's successor for many years, Major Abdel Salam Jallud, disappeared from power in the mid-1990s to devote his attention to business—and he was the last of them. Qaddafi's various sons all had their problems. Al-Saidi is a reckless and profligate man in his late-twenties whose only passion is soccer. Muhammad, the eldest son by Qaddafi's first wife, is too shy for the job. Sayf Al-Islam, the third eldest son, has served as a Libyan envoy but reportedly hates politics, and he's been spending time in Vienna taking business courses at a college program run by Americans. Only Aisha, now 25, seems to relish Dad's job. She's appeared on television with Nelson Mandela, soothed the nerves of Saddam Hussein during various crises and once slipped away from her thirty personal bodyguards at London's Dorchester Hotel to speak at Hyde Park's Speakers Corner. More important, she can use the word "privatization" with a straight face while blitzing European capitals, then become the perfect representative of a traditional Islamic household at home. It would be somehow very much like Qaddafi to try to create the first female head of a Muslim state, and somehow amend the *Green Book* to allow it.

He doesn't refer much anymore to the *Green Book*, though, perhaps because its socialist principles are a little embarrassing in a country that became steadily poorer through the 1990s. In fact, he's started making a bid for . . . business partners! At some point he started thinking about Libya's "1000 miles of unspoiled beaches" and decided he needed some tourist hotels. (Kind of a long shot, since the country doesn't accept credit cards and has a permanent ban on alcohol and gambling.) He's also not ruling out the presence of some foreign banks in Tripoli. But he draws the line at joining the International Monetary Fund or the World Bank, both of which he despises. For him, that would be like Disney making pornography or Coca-Cola bottling whiskey: the brand is still strong, but you can't destroy the franchise. The Q-Man may be a little softer in his old age, but he's not so insane as to begin doing what appears to be sane. □

Qaddafi's Despotism by the Numbers

Overall megalomania rating: 79, trending downward
Sexual proclivities: vanilla
Meetings with Jimmy Carter: 0
Death index: 37 (including proxy killings)
Destruction index: 10 (pillage is not his thing)
Depletion of natural resources index: 0 (his favorite color is green)
Preferred form of elections: Single-party revolutionary congress acclamation
Parliamentary facade index: 99
Toys: Russian MiGs, French Mirages, Louis Farrakhan
Preferred weapons: Citizens with Kalashnikovs
Preferred structure of goon squads: Two-man covert assassination teams with fake papers
Theory of government: The people rule by osmosis. He is the people.
Sartorial preference: Pre-World War I military regalia, occasionally contrasted with Muslim mufti accented by primary-color headgear
Preferred housing: Tent with a tennis court
Nepotism index: 98, extending even into the principal governing authorities for sports

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The WTO's North-South Conflict

A Dangerous New (Old) International Economic Order?

Christina R. Sevilla

DEVELOPING country delegates, ranging from Brazil to India to the Philippines to South Africa, left the WTO Cancun Ministerial ebullient over the collapse of mid-term talks intended to advance the Doha Development Agenda. They reveled in the newfound power of the G-21 group, a coalition of mid-sized and small developing countries, to block consensus on a framework to conclude negotiations by 2005. Brazilian Foreign Minister Celso Amorim, speaking on behalf of the 21-nation bloc, said the Cancun conference was a "political victory" for developing countries that showed unity in pressing their demands. Sir Ronald Sanders, the Antigua and Barbuda trade minister, captured the sentiment of many developing nations when he asserted that, had the poorer countries accepted the proposals of the rich at the WTO, "We would deserve our people's condemnation. . . . We would have condemned them to a life of perpetual underdevelopment." In fact, the exact opposite may be true: developing countries have the most to lose if the Doha Development Agenda is derailed through a misguided strategy of blockage and stalemate.

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A Short History of Economic Conflict

FIFTY-SIX years after the inception of the 1947 General Agreement on Tariffs and Trade (GATT), the Cancun meeting will be remembered as one of the most consequential instances of North-South economic conflict in GATT/WTO history. Such confrontation is not new: it has occurred before in international fora, and even on a much larger scale, but never with much ultimate significance for the course of international relations. This is not the case, however, with the Cancun meeting.

To understand the greater consequences of the present North-South economic antagonism, some historical perspective is needed. In the early-1970s, developing countries at the United Nations Conference on Trade and Development (UNCTAD) coalesced into what became known as the Group of 77 to press their demands for a New International Economic Order (NIEO). This aspiration grew out of the neo-Marxist political economy theory of the

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1960s, which argued that the international trading system was condemning the "periphery"—Latin America and other developing countries—to poverty, exploitation and dependency. Among other measures, the NIEO specifically called for a system of price supports for a number of key developing country commodity exports, indexation of developing country export prices to developed countries' manufactured exports, technology transfer and the negotiated redeployment of some developed country industries to developing nations. By the 1980s, the NIEO agenda at the UN had foundered due to divergences in developing country interests, the inability to replicate OPEC's success with other commodities and, most importantly, the discrediting of its command-based economic theories. This was evidenced by the astonishing success of Taiwan, South Korea and others that pursued trade liberalization and export-led growth.

Thirty years later, at Cancun, many officials opined that the harsh rhetoric employed by major developing countries such as Brazil and India, as well as smaller African and Caribbean countries, was strongly reminiscent of the 1970s UNCTAD experience. The themes of Northern economic exploitation have become fashionably recurrent, even though the remedies demanded by the South at the WTO now differ from the NIEO. Rather than price supports for commodities and exports, developing countries at Cancun called for unilateral trade concessions and compensation by the rich countries.

While there were many reasons enumerated for the failure at Cancun, the common theme was that talks fell apart along a North-South divide. The G-21 opposed developed countries' agricultural subsidies. The Lesser Developed Countries (LDC) refused to lower their astronomical agriculture and manufacturing tariffs, which stoked the frustration of the United States and others. Developing countries also decried developed country policies that they claim harm West African cotton growers. Europe and Japan insisted until the last minute on the inclusion of new issues, such as competition and investment, that were opposed by the majority of LDCs. Collectively, the Cancun collapse was the first major consequential North-South fissure for the GATT/WTO system.

But why was this rift so deep and bitter? Until now, developed-developing country conflict had generally been muted or otherwise accommodated throughout the GATT's history, even though the GATT/WTO's rule of decision-making by consensus remained constant. Even though the GATT was founded by an unconventionally diverse set of 23 developed and developing country signatories,[1] it was largely seen as a rich man's club in terms of rule-making procedures to lower tariffs and non-tariff barriers. Due to decolonization and the creation of new sovereign independent countries, membership surged to more than one hundred countries during the 1960s and 1970s. But developing countries were content to free-ride on the system. Big countries negotiated market-opening concessions that were then extended to all members on a Most-Favored-Nation basis.

In 1979, partly in recognition of the pressures created by LDCs in other international fora, an Enabling Clause was added to the GATT. This permitted developed members to give differential and more favorable treatment to developing countries and provided the legal basis for the Generalized System of Preferences (GSP), whereby developed countries could

[1]The original GATT signatories were Australia, Belgium, Brazil, Burma, Canada, Ceylon, Chile, China, Cuba, Czechoslovakia, France, India, Lebanon, Luxembourg, the Netherlands, New Zealand, Norway, Pakistan, Southern Rhodesia, Syria, South Africa, the United Kingdom and the United States of America.

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offer non-reciprocal preferential treatment (such as cutting or lowering import duties) to products originating in developing countries. Even so, throughout the 1980s, the Quad countries (the United States, the European Community, Canada and Japan) were the central players in developing the rules and jurisprudence of the multilateral system.

BY THE END of the Uruguay Round in the early-1990s, however, developing countries grew more assertive and were essential to the contours of the final deal. The GATT's competencies were expanded to include services and intellectual property rights, primarily of interest to developed countries, in exchange for the ultimate phase-out of the Multi-Fiber Arrangement, which placed prohibitive quotas on mostly developing country textile exports. Interestingly, the 1999 Seattle Ministerial, as significant as it was for the anti-globalization movement and as a temporary setback for the WTO, was not a turning point in the North-South story.

The Seattle failure was due as much to Quad disagreements as to developing country grievances about a perceived imbalance in the results of the Uruguay Round. For example, the United States wanted deep cuts in farm subsidies but refused to discuss reforming its antidumping rules as sought by Japan and others. The EU and Japan resisted agriculture reforms while seeking new talks on investment and competition policy. Canada and the EU wanted exemptions for cultural industries, all of which were opposed by the United States. On top of a raft of underlying North-North and North-South disagreements, President Clinton's unexpected statement in support of WTO sanctions to enforce labor standards, vigorously opposed by the developing world as well as many developed countries, was the final death blow to the Seattle conference.

The 2001 Doha Ministerial seemed to herald a new and positive paradigm for North-South cooperation in the WTO and greater attention to developing country interests. Galvanized by U.S. leadership under Trade Representative Robert B. Zoellick, who worked closely with his counterpart Pascal Lamy of the European Union, WTO members meeting in the Arab nation of Qatar succeeded in launching a new round of multilateral negotiations just two months after the September 11 attacks. The Doha negotiations introduced an ad hoc but results-oriented "Friends of the Chair" process: an innovative institutional procedure to involve individual LDC countries and representative country blocs in the so-called "green room" of WTO decision-making where compromise texts are hammered out. The Friends of the Chair was a procedural advancement for developing countries because the Quads had historically dominated the green room process.

At Doha, WTO General Council Chair Stuart Harbinson of Hong Kong selected Friends of the Chair countries to help build consensus in six key areas, including developing countries: Chile, for example, chaired the environment group, Mexico chaired the Trade-Related Aspects of Intellectual Property Rights (TRIPs) group, and South Africa led a working group on rules. Developing countries were now at the center of the negotiations and the successful Doha launch. African countries, furthermore, in a striking difference from their relatively marginal role at Seattle, coordinated their efforts primarily through three countries: Kenya, representing the African, Caribbean and Pacific (ACP) group; Tanzania, representing the least developed countries; and Nigeria, on behalf of the African Union. These three played a central role in the doubling of funding for building WTO trade capacity and the establishment of the Doha Development Trust Fund. In sum, WTO members

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proved at Doha that the contemporary system could be made to work, even with 146 members of vastly different sizes operating under a consensus rule.

But, at Cancun, larger developing countries rewound the clock to the 1970s, posturing rather than negotiating and radicalizing the smaller countries who were then unable to move from their positions. This set the stage for a North-South meltdown.

Clearly, the developing countries had a number of serious concerns about trade barriers in rich countries that hurt their exports and development prospects. And developed countries, such as the United States and Australia, sought far-reaching agricultural trade reform on a global basis. But, as a result of confrontational posturing and the G-21's refusal even to negotiate at Cancun from compromise draft texts put forward by the Uruguayan chair for agriculture, the WTO's Thai director-general, and the Mexican chair of the Cancun Ministerial, developing countries missed their best opportunity to compel the big players to eliminate damaging tariff and non-tariff barriers.

It is useful to recall that, in 2002 and 2003, the United States proposed a series of major WTO proposals that would have completely eliminated its own agricultural export subsidies, cut domestic subsidies by $100 billion globally and slashed its agricultural tariff to an average of 5 percent in exchange for meaningful reciprocal liberalization from other WTO members. The United States had also put its non-agricultural tariffs on the chopping block, calling for a tariff-free world for all manufactured goods by 2015. Furthermore, just weeks before Cancun, in August 2003, the WTO demonstrated its ability to respond to developing country concerns by reaching an agreement ensuring that poor countries could gain access to life-saving, low-cost medicines while still protecting intellectual property rights. Considering the United States' ambitious proposals and demonstrated willingness to negotiate on a range of issues, the G-21's intransigence at Cancun was counterproductive and self-defeating.

Cancun's Collapse

IN THE WAKE of deadlock at Cancun, and without the leverage of the WTO negotiating forum, it will be all but impossible for any country or group of countries to extract a similar level of concessions from the United States or other major players outside the WTO's auspices. The ramifications of this development will be especially felt on the thorny issue of agriculture reform, which must be addressed globally to be effective. All-in-all, the tragedy of Cancun is twofold.

First, by celebrating failure, many developing countries are hurting their own economic interests. With the WTO negotiating process blocked, big countries and regional powers have already announced intentions to focus on negotiating bilateral free trade agreements (FTAs). Most small and poor countries, landlocked or geographically-isolated states and those states with relatively unattractive markets will get left behind in the scramble. This is a potential catastrophe for the world's poorest countries, which are at greatest risk of turning inward to the failed protectionist and import-substitution policies of the past. There is also the prospect that a major WTO setback will strengthen the hand of protectionist pressures in the developed world in the midst of an economic downturn.

Second, and of potentially great long-term significance for the course of international relations, developing country blocs are now eager to wield a veto over the half-century-proven multilateral trading system. This is a new and dangerous development. In the 1970s, developing countries sought to exercise their collective bargaining power in a forum that, in

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reality, was of little salience to global commerce and the prospects for international economic growth. Bluntly put, to stymie the UNCTAD decision-making process in this area was no great tragedy.

This, however, is not the case with the WTO today: According to the World Bank, further trade liberalization under WTO auspices would have added $520 billion to world incomes by 2015, mainly for the benefit of developing countries. If the Cancun debacle deals a body blow to the multilateral trading system, all countries lose. Losses accrue not only to production and standards of living worldwide, but also to more intangible factors like promoting the spread of common principles in countries with heterogeneous economic and political systems. For example, Zoellick and the Bush Administration have argued that trade agreements in general help promote the rule of law, transparency and greater economic freedom and choice for individuals worldwide. The political dimension of the WTO may be no less important—especially today—than its role in providing a foundation for predictable, stable and efficient commercial transactions.

IN THE FINAL analysis, North-South economic conflict is neither endemic, structural nor inevitable. Free trade is not something the North unilaterally imposes on the South; witness the number of developing countries from Central and South America, Africa, Asia and the Middle East lining up at the door of the U.S. Trade Representative to negotiate bilateral FTAs because their leaders believe these agreements will benefit their people.[2] However, because only a small fraction of countries will participate in such FTAs, all WTO members would do well to eschew the confrontational posturing tactics and rhetoric of refusal that led nowhere in the past (at UNCTAD) and have currently stalemated the WTO process. As of this writing a few weeks after Cancun, some developing countries are already beginning to realize the magnitude of their miscalculation: a number of Latin American countries have broken ranks with the G-21, and Asia-Pacific Economic Cooperation (APEC) leaders meeting in Bangkok in October reaffirmed their commitment to the Doha Development Agenda, and willingness to work from the Cancun text. A WTO stock-taking session is planned for mid-December in Geneva.

It remains to be seen whether pride will ultimately give way to pragmatism in the WTO, and whether the necessary momentum and political will can be summoned to reverse the sorry Cancun outcome. Although a trading system criss-crossed by a patchwork of bilateral deals is less preferable to a global system of rules for all parties, the reality is that the United States, the EU and a few other developed countries and regional powers are big enough to take care of their own market access interests in a post-Cancun trade bargaining free-for-all. Rather, it is developing countries with less bilateral bargaining power and few viable alternatives for development that have the greatest stake in re-energizing the WTO and helping the Doha Agenda eventually to succeed. □

[2]The United States recently concluded FTAs with Singapore and Chile, and is negotiating FTAs with the Central American countries of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, as well as the Dominican Republic; five nations in the South African Customs Union, including Botswana, Lesotho, Namibia, South Africa and Swaziland; Australia; Morocco; and Bahrain. In October, President Bush announced in Bangkok Washington's intent to negotiate FTAs with Panama and with the Andean countries of Colombia, Peru, Ecuador and Bolivia.

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Design for Trading

Martin Hutchinson

THE EFFECTIVE collapse of the Doha round of trade talks in Cancun in September has left the world trade scene in chaos, with an increase in protectionism likely. Free trade, beloved by economists, has only a modest worldwide political constituency, and severe practical defects in a world of floating exchange rates. And the world is turning toward the worst kind of protectionism. Instead of mere tariffs that are at least quantifiable, regulatable and revenue-producing, the world is adopting subsidies, quotas and non-tariff barriers, all less transparent and all more distorting of trade flows. The current world trade regulation system is thus both dangerous and unsatisfactory.

There is a trade structure that would better suit the world's needs, that would alleviate both the political and economic problems inherent in international trade, but not eliminate them (which would be impossible). Politically, the need is for an initiative similar to that of the Reagan Administration's tax reform of 1986: special interests need to give up their favored tax breaks and trade loopholes, replacing them with a modest general tariff. This would then build a system that satisfies the most important needs of all parties and, by its simplicity and efficiency, comes close to maximizing overall welfare.

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Like most economic theories, the doctrine of comparative advantage rests on a number of theoretical assumptions that are often untrue in practice. In particular, the doctrine ignores the frictional costs of people losing their jobs and being forced to change their livelihoods. Thus, in cases where the advantage from free trade is modest and its disruption severe, free trade may not be wealth-maximizing, for the economy as a whole, when the time value of money is taken into account. Moreover, free trade involves inequality of sacrifice. In most cases, the benefits of free trade are hidden and accrue in small amounts to consumers all over the society. The costs, on the other hand, are highly visible, bearing particularly harshly on a relatively small group of people, generally of modest income and education. It has frequently been said that free trade is a mechanism to redistribute income from poor people in rich countries to rich people in poor countries; the history of blue-collar wage levels in the United States since 1973 tends to validate this thesis (although heavy immigration, a separate question, has exacerbated the problem by still further augmenting the supply of modestly skilled U.S. labor).

The benefits of freeing trade in an item do not in practice accrue in perpetuity; varying wage and other input costs and the inflow of new technology mean that cost differentials between production sources are quite unstable, occurring for

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only a few years, or at most a decade or two. Moreover, movements of exchange rates between currency blocs cause the comparative advantage between product sources to swing to and fro, as respective currencies rise or fall. If we lived in a world of fixed parity gold-standard exchange rates and minimal technological advance, like Adam Smith's 18th century, then completely free trade would optimize the system over time—production factors would migrate to their nexus of greatest comparative advantage. But we have not lived in such a world since 1914 at the latest.

IN THE WORLD of exchange rates that fluctuate against each other by substantial percentages (apparently in a rough long-term cycle), the optimization potential of comparative advantage does not work—even if you ignore technological changes. For example, from 1985–95, the deutschemark strengthened from DEM 3.17 = US$1 to DEM 1.42 = US$1, then weakened to the equivalent of DEM 2.38 = US$1 by 2002 (by which time it was of course subsumed in the euro). Inflation in both Germany and the United States was low and comparable throughout the period.

Consider manufacturers of equivalent products in Germany and the United States, whose products are primarily domestically manufactured but can be exported to the other country at a cost of 5 percent of their value. Suppose the products are closely equivalent, with the German product's manufacturing cost being DEM 200, and the U.S. product's manufacturing cost being $100. Then, at the deutschemark's nadir in 1985, the German company could export to the United States at a cost of $63.09, plus $3.15 freight, or $66.24 in the U.S. market, compared with the U.S. manufacturer's $100. The U.S. producer, facing such a huge cost differential, would be rapidly driven out of business.

Ten years later, the U.S. manufacturer could sell into Germany at a cost of DEM 142 plus DEM 7.10 freight, or DEM 149.10 total, compared with the German manufacturer's DEM 200. This time, it is the German manufacturer who would be driven out of business. By 2002, the German manufacturer again would have the advantage, selling in the United States for $84.03 plus $4.20 freight, or $88.23 total, with the U.S. manufacturer at a severe disadvantage.

Needless to say, driving manufacturers out of business in alternate countries once a decade is not optimal for anybody. In such a case, a low tariff, no more than 10 percent or so, imposed by each side on imports from the other, may help stabilize the system. Such a tariff is equivalent to raising shipping costs from 5 percent to 15 percent, thus making exporting more expensive. In the case above, the German product costs $72.86 in the U.S. market in 1985 and $97.11 in 2002, while the U.S. product costs DEM 164.01 in 1995. Since the extreme exchange rate values last for only a few months, with a reversion closer to the mean quite quickly, such a 10 percent tariff would probably be enough to prevent the bankruptcy of either manufacturer from exchange rate fluctuations alone.

The low tariff does not prevent truly substantial cost advantages from winning out. If the German company, instead of DEM 200 in manufacturing cost, had DEM 160, then its U.S. cost, even with the tariff, would be $58.29 in 1985 and $77.69 in 2002. This is enough of an advantage for it to gain dominance in the U.S. market, which it would maintain through most of the exchange rate cycle. The same analysis applies in the more complex case where there are several different manufacturers, each located in a different currency bloc.

In a completely free-trade system, temporary overvaluation of a particular currency against its trading partners caus-

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es bankruptcies and job losses that, taking into account the long term trend of exchange rates, are not justified. Experience has shown that currencies do not hover around their "purchasing power parity"; they fluctuate substantially beyond any rational estimation of their value, driven by speculative money flows and capital market transactions, far more than by trade.

Such an overvaluation of the dollar in 2002, combined with the political strength of the U.S. steel industry, caused President George W. Bush to impose high "anti-dumping" duties on many foreign steel imports. As the dollar dropped after the spring of 2002, the problems in the U.S. steel industry lessened, and the anti-dumping duties became superfluous, but they had already distorted trade by imposing a much higher tariff level than could have been justified in an open long term negotiation. At the same time, the United States faced retaliation: the EU, Japan and South Korea threatened to impose punitive tariffs of up to 30 percent on U.S. exports. Much better to have an overall low tariff on imports, openly negotiated and in place over the long term. It would be far less economically damaging to all parties than pre-emptive and unilateral impositions of high tariff rates, let alone quota systems.

WHEN designing a free-trade agreement, one must look for areas in which the comparative advantage is large or the barriers being removed are high, because it is in those areas that the gains for free trade are greatest and most likely to outweigh the frictional costs of currency fluctuations. Reducing or removing tariffs that are already low produces only small gains (even proportional to the value of tariffs removed) and may well incur large costs.

Low tariffs may be beneficial in a world of floating exchange rates, but high tariffs, whether imposed overall as in many Third World countries, or in the form of anti-dumping duties as in the United States, are pernicious obstacles to economic optimization and should be outlawed in a well-designed tariff system. The high tariff rates between Third World countries are probably the greatest single economic obstacle that poorer countries face. Their removal by a strong World Trade Organization (WTO) would bring enormous gains—and all achieved entirely without participation by the wealthy West.

Not that tariffs are the worst form of protectionism: subsidies are more damaging because they cause huge distortions between the subsidized item and the rest of the economy, which is taxed rather than subsidized and must pay extra to provide the subsidy. Quotas are also more damaging than tariffs, as they provide a tariff that is effectively infinite at the margin, and hence allow the perpetuation of inefficient production, whatever the cost advantages of imports. Non-tariff barriers such as environmental or labor regulations are also more damaging than tariffs. They are not transparent, they impose costs often far beyond those of a simple tariff, and they are generally discriminatory in favor of Western suppliers and against less well established Third World producers.

Unlike broad-based tariffs that are negotiated through the WTO or previously through the General Agreement on Tariffs and Trade, subsidies, anti-dumping duties, quotas and non-tariff barriers are generally produced by a domestic political process. This not only allows non-economic factors to dominate the discussion, it is also a seed-bed of corruption.

EXTREME free traders also ignore the effect of tariffs in raising tax revenue. Of course, the economy is optimized if tariffs are zero, but it is equally optimized if tax rates are zero, and we are generally moving further away from rather than

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approaching that desirable state of affairs. Just as a tariff discriminates between domestic producers and importers, causing fewer goods to be imported than would be the case at a zero tariff rate, so an income tax discriminates between work and leisure, causing fewer goods to be produced than at a zero tax rate.

In the small-government societies before 1914, tariffs were often the major source of revenue for government. In late 19th-century America, the post-Civil War Republicans set tariff rates so high that the government generated a permanent excess of revenue, paying off Civil War debt and then accumulating a cash surplus. The 1880 Democratic presidential primary was fought on the slogan "Tariff for Revenue Only"—not for protectionism beyond the necessary level to fund government—producing the immortal Thomas Nast cartoon of their befuddled presidential candidate Winfield Scott Hancock inquiring "Who is Tariff, and why is he for Revenue Only?" Speaker "Czar" Thomas B. Reed, of the 1888 GOP Congress proclaimed in turn, "God help the Surplus." He then proceeded to spend it, an attitude not unknown in more recent years.

A "level playing field" tax system (of course, an unattainable ideal) that did not discriminate between consumption and production, nor between imports and exports, would have a tariff level lower than the income tax rate because income taxes are imposed on profits while tariffs are imposed on revenues. Since profit margins vary from item to item, a "level playing field" tariff would, in theory, be levied at a varied rate, with higher rates on high-margin items such as semiconductors and telecom equipment, and lower rates on low-margin items such as textiles. In this way, tariff rates on imports would be equilibrated approximately with taxes on incomes. All economic activity would be taxed to approximately the same extent.

This is not to advocate still a further increase in the size of government. Such a rational tariff system, to the extent it raised revenue, would allow for tax reductions in other areas. In the United States, taxes could usefully be reduced on corporate dividends, which remain subject to significant double taxation at overall rates that still exceed 50 percent, and on modest self-employment incomes, which, including doubled social security contributions, are also subject to high marginal tax rates.

In summary, a rational tariff system would allow modest protectionist tariffs to guard against exchange rate and weather driven disruption, but would not permit high tariffs, quotas, subsidies, non-tariff barriers or discrimination between sources of supply. It would allow for cuts in other government taxes. And it would need a credible world body policing it.

TO SEE HOW such a system would work in practice, look at the three trade items that caused the most discord at Cancun: steel, textiles and agriculture. In a rational trade system, the United States and European steel industry would benefit from a low tariff of no more than 10 percent, which would provide American industry with modest assistance in periods such as early 2002 when the dollar was inordinately strong. However, the long-term lack of competitiveness of Big Steel (as distinct from the mini-mills) against cheaper labor and more efficient Asian competition would cause painful but necessary restructuring and downsizing in this industry. Costs of past mistakes, such as the excessive pension provisions in past union contracts, would not be subsidized by the American buyer of steel products. Whether they should be subsidized by the U.S. taxpayer as a way of easing the frictional costs of competition is outside the scope of this article (though I would be against doing so).

Similarly, U.S. and west European textile and garment industries are struc-

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turally uncompetitive with Asian imports because of their high labor costs. Specialty manufacturers, particularly producers of high-fashion apparel, can survive, but others must outsource most of the manufacturing process to cheap labor countries. (Sewing is particularly labor intensive, while cutting is largely automatable.) A modest overall tariff at the 10 percent level will not significantly slow the long-overdue migration of this industry to the Third World; the problem here is structural, not exchange-rate related. The Third World is right to be outraged by import quotas in textiles and by the inordinate delay to 2005 in removing them, as agreed by the Uruguay trade round in 1994.

In agriculture, most price fluctuations are caused neither by exchange rate movements nor relative labor costs, but by Mother Nature. Hence, in societies such as the United States where farming is highly capital intensive, governments must protect their farmers' investments against poor harvests or, more damagingly, against good harvests in other parts of the world that produce temporary gluts of produce and prices too low to cover the farmer's fixed costs. In the United States, Europe and Japan, the solution to this since the 1930s has been to subsidize the farmer, often paying him for acreage taken out of production or dumping exports on other countries at subsidized prices. This is incredibly wasteful, an unfair barrier to imports from the Third World and destabilizing to the incomes of Third World farmers. The objectives of farm subsidies (other than simply diverting wealth to the pockets of agribusiness) can be achieved much more elegantly by a mechanism that has been wrongly derided since it was abolished in 1846: the 1815 British Corn Laws, or rather their 1827–28 modification.

The central principle of the Corn Laws was that treatment of corn imports should vary with the market price of corn. Under George Canning's proposed version of 1827, the duty (paid by the foreign exporter) rose in rough proportion to the drop in the corn price and fell with the rise in price, with corn entering Britain free of duty when prices rose to high levels in times of scarcity. Farmers received protection against gluts and consequent drops in price, while consumers were protected against bad harvests. There were no subsidies, and the net cost to government was simply that of administration. In three respects, therefore, its lower cost to government, the lack of distortion to the domestic market (which rewarded the most efficient producers accordingly) and the lack of incentives to dump produce on the world market, the Corn Laws system was greatly superior to modern agriculture subsidies.

A modern Corn Law would apply to agricultural products in general and would work in the same way. It would replace subsidies, quotas (as in sugar) and above all export bounties, thus preventing the huge economic waste of over-production followed by export dumping (illegal under WTO rules in any sector other than agriculture). Ideally, it would be applied at equal levels in the United States, the EU and Japan.

The mechanism for negotiating trade agreements also needs to be modified. The current WTO, with its reliance on one country, one vote decision-making and a requirement for unanimity is, as demonstrated at Cancun, hopelessly open to subversion by anti-trade fanatics playing on the fears of the less sophisticated countries of the Third World. Equally, there are too many deals "stitched up" in advance of full WTO meetings between powerful trading blocs, which also tend to lock in negotiating positions and prevent progress being made.

A central difficulty in the WTO is its voting mechanism, which is based on a flawed analogy with democracy, and should instead be based much more soundly on a shareholder-type voting

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structure, with voting power proportional to the amount of trade a country enjoys. For example, voting rights could be allocated every five years according to the sum of a country's imports and exports of goods and services in the previous quinquennium. Countries with a great deal of trade in proportion to their GDP, such as Singapore, would be disproportionately weighted in the WTO, reflecting their disproportionate importance in the world trading system, whereas countries such as Brazil that maintained high trade barriers would be less heavily weighted. There would be a natural institutional bias toward free trade, proper in such a body.

Having established a voting system that truly represented the importance of each country in world trade, there would then be no need for unanimity. But a supermajority—maybe 75 percent—of votes would be required to pass tariff agreements. It could be that blocs of countries such as the EU would attempt to get together and form a blocking minority. But there is an obvious riposte. If they acted as a single entity in trade negotiations—as did the EU, for instance, at Cancun through Pascal Lamy—then their intra-regional trade would cease to be counted in determining their weighting, just as trade between Iowa and Kansas would not be used in determining the U.S. weighting. In addition, the problem of NGOs determining the atavistic reactions of small and unsophisticated Third World countries would go away. Such countries would represent only a small portion of world trade and so would have only a small WTO vote.

Naturally, countries that objected to the WTO's methodology would not be forced to join it; they would then not benefit from the access it negotiated to the major world markets. If they wanted such access, they would have to sign up to the WTO, thus both providing reciprocal access to their own market and subjecting themselves to the WTO's rules of the game in respect of subsidies, quotas and non-tariff barriers. Side deals, where a major WTO member granted preferential access to a non-member country without that country accepting the WTO's "fair-play" rules, would not be permitted. This reformed WTO would take decisions more effectively and would be mandated both to organize trade treaties between its members and, more importantly, to stamp out the protectionist growths that appear every time a country has an election coming up—namely, anti-dumping actions, new non-tariff barriers or the imposition of quota systems. Non-tariff barriers in the areas of labor and the environment should be permitted only if agreed by a 75 percent majority of the WTO. The principal function of the WTO would then be to act as a police court against election-driven special interest protectionism.

IN ORDER to cater for the special needs of poor countries, should the WTO discriminate between countries according to their wealth, as measured by GDP per capita? Poor countries, while compelled to lower their overall tariff levels, particularly against each other, might be permitted to maintain higher tariffs in limited sensitive areas where they have a great deal of low-skill traditional labor. They might also be allowed, for example, to discriminate moderately against foreign financial institutions that have an undue advantage of lower funding costs in the local market since they carry a better credit risk derived from their Western parent. (Such discrimination would be most effective by means of a "funding cost tax" to equalize the foreign-owned bank's funding costs with that of its local competitors.) As countries graduated to middle-income status, or their credit ratings moved above Standard & Poor's BBB level, however, the WTO would compel them to phase out the additional protections over a period of, say, three years.

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Intellectual property is a particularly difficult area. Governments and producers in Europe and the United States try to build support for intellectual property restrictions by focusing public opinion on life-saving drugs. But intellectual property also includes trashy movies and popular music. Property rights are a fuzzy concept, not an absolute. One can accept that, if intellectual property in pharmaceuticals is violated, research will be hampered. But allowing intellectual property in "gangsta" rap merely produces more "gangsta" rap.

As in trade generally, poor countries would not be subject to the full rigors of copyright and patent law until they reached a middle-income wealth level, and could be expected to produce copyrightable or patentable material (whether scientific or, as in the case of Japan's Manga comics, literary) of their own. If producers in poor countries produced "pirate" copies, then international trade in such copies could be prohibited by the WTO, thus providing additional protection to copyright holders' interest in Western markets.

In the meantime, as is happening with AIDS drugs, Western charitable and supranational organizations would provide funding for Western-produced pharmaceuticals for the Third World, thus avoiding the problem of local producers of low-quality generics flooding the market with untested and dangerous alternatives. There would be no such eleemosynary organizations for "gangsta rap" or Manga comics.

ABSENT A reformed trade regime of this kind, a partial return to protectionism seems likely, since the United States has moved considerably toward such a policy in recent years, and the EU as a body never left it. (The European value-added tax, generally levied at rates around 20 percent, is also discriminatory, since it is not levied on exports, thus providing European producers with a substantial subsidy for exports as against production for internal consumption.) And while new WTO members such as China and emerging WTO members such as India are strongly committed to free trade in principle, in practice they use every artifice they can to preserve their own protectionist structures. A weakened WTO will hardly be able to prevent them from doing so. Meanwhile, labor and environmental non-tariff barriers are both likely to blossom in the years ahead—the normal bureaucratic impulse to "compromise" with the pernicious agenda of the trade protesters will see to that.

The United States may mitigate some of the effects of this by forming bilateral trade agreements with favored nations, as will the EU in their hinterlands of eastern Europe, Central Asia, North Africa and the Middle East. In practice, this will increase the danger of the world becoming divided into a small number of autarkic trading blocs that have relatively free internal trade and high barriers against outsiders. Inevitably, this will tend to impoverish further those Third World countries that have little to offer economically, thus perpetuating their downtrodden status.

Without a trade body wielding real power to regulate protection, trade barriers will be raised by domestic political processes. Hence, they will pay little regard to comparative advantage, ossify economic structures and push the growth of gross world product far below its potential. The "have-nots", with their rapidly growing populations, will end by having even less.

This unpleasant fate can be avoided, but it will require trade negotiations to rise above both domestic electoral pressures and the unrealistic dogmas of frustrated trade economists. In trade, as in philosophy, the best should not be allowed to become the enemy of the good. □

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Capitalism for Everyone

Raghuram G. Rajan & Luigi Zingales

THE SECOND half of the last century seemed to have settled the debate over economic systems. Natural experiments like the one in Korea, where the South espoused capitalism and moved from underdeveloped to developed country status in a generation while the socialist North descended into starvation and destitution seemed to deliver a clear verdict: Capitalism is by far the best system for the production of wealth.

Yet, ironically, while capitalism has fattened peoples' wallets, it has made surprisingly little inroads into their hearts and minds. Many of the people protesting in the streets against globalization are protesting against capitalism, which they accuse of oppressing workers, exploiting the poor and making only the rich richer.

Take an example that seems to reflect the evils of capitalism. Sufiya Begum, a poor Bangladeshi villager needs twenty-two cents to buy the raw material for the stools she makes. For lack of better alternatives, she has to borrow this money from a middleman, who forces her to sell the stools back to him as repayment for the loan. Of course, he sets the price. Thus, Sufiya gets only two cents for a hard day's labor.

Unfortunately, the response of the traditional Right has been to repeat like a mantra that markets are the best way of creating wealth, that this wealth will eventually trickle down, and, in the long run, a policy of *laissez faire* will make us all better off. To the slum dweller in Bangladesh or Brazil, confronted by the daily reality of markets that do not work, such words are little comfort.

In this vignette many see the worst of capitalism. This situation could not be further away from the essence of capitalism: free access and competitive markets.

Our Explanation

WHY HAS this occurred? The explanation is simple. In many countries, powerful elites—like the middleman in Sufiya Begum's case—oppose widespread access to markets. They have the political clout to erect direct impediments like mandatory permits to open business or indirect barriers like an inadequate infrastructure.

The reason for their opposition is obvious. These elites already get what they need from the limited markets that

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exist. They stand to lose if access to markets became freer and they faced competition. As a result, ordinary people like Sufiya Begum never see true free market capitalism, which implies competition and equal access. They only experience the distorted version that destroys hope. Unfortunately, both the genuine and distorted forms of capitalism get tarred with the same brush, and capitalism is seen as a system of, by and for the rich.

All we are suggesting is a general tendency, not an iron law: When markets start out limited, those who already have access often have very different incentives from those who do not. If, as is likely, the former are more politically powerful because of the wealth they obtain from their privileged access to markets, they can ensure the government does not create the conditions for wider access. Consider Russia. Following privatization, economic power has become concentrated in a small group of businessmen widely known as the "oligarchs." Since they control near monopolies in natural resources, they have very little interest in promoting antitrust regulation and in opening up the market to new competition. Not surprisingly, very little has been done in both these areas.

In fact, incumbents may not need to campaign actively against market-friendly infrastructure: the government may simply not be interested in the welfare of the commoner, and the politically influential and conscious classes may not see it fit to change matters. Neglect can be as effective as overt opposition when it comes to righting unequal and unjust forms of market economics.

The tendency we suggest above can be seen even in a functioning democracy. Consider the Bush Administration tariffs on imported steel. The alleged reason was to protect American jobs. But there are only 190,000 workers producing steel and 9 million in steel-consuming jobs. While steel prices in the United States have indeed gone up, steel prices have fallen below U.S. levels in the rest of the world as exporters redirect their steel away from the United States. This hurts U.S. industries that rely on steel as an input: they can no longer compete with foreign manufacturers who now enjoy cheaper steel inputs.

In June 2002, Brian Dundon, President and CEO of Advance Transformer (an electrical equipment manufacturer) testified at a U.S. International Trade Commission hearing about the costs imposed by the steel tariffs on firms like his. The tariffs created such a substantial increase in demand for domestic steel that suppliers could not meet it all. Rather than deliver steel to Advance at a price negotiated prior to the tariffs, they chose to sell to those who would pay the higher price in the now-protected market. As a result in December 2002, Advance was forced to close its magnetic ballast assembly operations in Monroe, Wisconsin and move production outside the country. Advance's parent company, Philips, is now building ballast manufacturing capability in China. Far more American jobs are put at risk outside the steel industry by the steel tariffs than were saved in it. So the tariffs were certainly not in the public interest.

The truth is that the tariffs were a subsidy—not so much to the steel workers, who could have been helped at lower cost to the economy through a direct handout, but to the owners and top managers of the distressed steel firms, who benefit handsomely from the tariff. The reason they prevailed is that the concentrated lobbying power of established powerful private interests often outweighs the national interest.

If special interests get their way even in a well-functioning democracy like that of the United States, imagine how much more powerful they are in developing countries.

Our point is that the absence of infra-

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structure supporting markets in much of the world is not because developing countries do not know that well-defined property rights or transparent contracting environments are of vital importance. In only a very few countries is it because the country does not have the physical or human capital to build infrastructure. In many more, it is because too many powerful interests thwart construction of the right infrastructure.

Another example: After the 1994 Mexican crisis, for instance, the World Bank decided to help the government improve the financial infrastructure. Among the fundamental institutions that were missing was a collateral registry, where assets posted as collateral for a loan could be officially recorded so that any potential lender could be aware of what a borrower had already pledged. In turn, such a registry would make it easier for small and medium firms to raise finance on the basis of their assets, since potential lenders would now have the confidence to lend.

In arguing for this registry, the World Bank experienced strong resistance from existing banks. Why? Existing banks had enough clout that they could get this information regardless of the registry. Not only would they not benefit from it, but they would see their competitive position eroded as less established lenders could access the information and compete for business on an equal footing. Access to credit was curtailed to support the interests of the few incumbent interests!

No wonder then that the poor around the world see markets as being against them, not realizing that what they experience is a very corrupted version of the markets we experience. That the elite tend to have disproportionate say in the running of markets is actually a point on which the Right and the Left agree—one of the few places where Chicago economist George Stigler echoes Karl Marx.

But the Left is wrong to say that markets need to be replaced by the government, for that just perpetuates the capture of markets by the elite. And the libertarian Right is wrong to insist we can dispense with the government. Consider another example. If you wanted to fly and there was no supervisory authority in the airline industry and no regulations enforcing safety standards, you would be very reluctant to fly fledgling airlines. You would prefer the established ones that had a comforting track record and reputation. So a complete lack of safety regulations in the airline industry would favor established firms, making entry impossible and killing off competition. The absence of government can also be anti-competitive and retard free markets.

How Can Free Markets Prevail?

WHAT WE need, therefore, is a Goldilocks government, not too interventionist and not too *laissez faire*, a government that is just right. The difficulty with this Goldilocks position is, of course, in how to get the mix right.

Nevertheless, it has been happening. A curious phenomenon has been taking place in the last three decades: markets have been spreading. Why have politicians in countries as diverse as France, Germany, Korea and India embraced the market and attempted to provide the governance markets need? It is difficult to imagine that politicians have suddenly become more public spirited. The answer is that *the interests of the elites have changed with the opening of borders to goods and capital.* This has made domestic elites press their politicians to enact market friendly legislation.

The effect of open borders can be clearly seen in the Indian automobile industry. In the mid-1980s, the industry was protected from foreign imports. The result was that consumers had a choice of between just three car models, and only

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one if they wanted a big car. The cars were obsolete gas-guzzlers, unchanged in design for decades (the biggest car, the Ambassador, had been designed in England nearly forty years before). Nevertheless, the car-starved public had no real choice but to wait for years to be allocated one of these monstrosities. The rationale for not allowing foreign producers into India was, in part, that the domestic manufacturers would be wiped out if the market was opened up, and in part that cars were frivolous luxuries and there were more important goods for consumers to spend on. The truth was that well-connected producers were being pampered at the expense of the consuming public.

In the early-1990s, following a financial crisis, the Indian government opened the car market to foreign producers. The worst fears of the domestic producers were realized. The public abandoned them for the new foreign models and the old manufacturers were wiped out (though since then the Ambassador has rediscovered a market as a "period" car in the West). But it simply did not make sense for the foreign manufacturers to continue sourcing their sub-assemblies from outside India. Instead, they started developing local ancillary manufacturers and gave them the technological assistance to become world-class. Soon, India started exporting ancillary automotive products to the developed world.

The story does not end here. An Indian manufacturer, Telco, capitalizing on the existence of world-class suppliers of ancillaries in India, started producing a state-of-the-art, indigenously-designed car: the Indica. The car had teething problems at first and was rejected by a now-discriminating public. But Telco engineers went back to the drawing board, fixed the flaws, and brought out a new version that swept the market in its category. From about 50,000 cars in the early-1980s, India now produces over 600,000. Next year, it is slated to export 200,000 cars, many to the developed world. The automobile ancillary industry grew by 20 percent in sales last year and by an average of about 10 percent in the decade before that. The Indian automobile industry offers an example of what trade liberalization can do—potentially some pain in the short run but enormous gain in the long run.

More generally, as borders open up to the flow of goods and capital, incumbent firms see that they need well-functioning domestic markets to take advantage of the opportunities provided by the global market, as well as meet foreign competition head on. The prospect of increased domestic competition matters less when they are fighting on the world stage. They now back rather than oppose liberalized domestic markets. Put differently, competition between economies through open borders forces politicians to enact the rules that will make their economies competitive. This typically means enacting market-friendly legislation and making markets accessible to all.

Again, Indian industry offers an example. As Indian markets opened up to international competition, domestic industry felt the costs of antiquated infrastructure. For instance, the high cost of domestic finance placed them at a disadvantage relative to their foreign rivals who had access to cheap finance in international markets. Indian industry now had strong incentive to press for domestic reform. Interest rates that had been fixed at extremely high rates were liberalized. Competition in the banking sector increased as private and foreign banks were allowed to enter. Firms no longer had to beg permission from the government to raise money in the stock market. New automated exchanges and stock depositaries sprang up. Corporate governance and market regulation were improved so that investors could get a fair deal.

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The consequence has not just been a reduction in the cost of finance for firms but also a tremendous expansion of credit to consumers as the now-competitive financial sector looked for new products and customers. A study by the Indian market research firm NCAER finds that before 1985 less than 10 percent of new cars were bought with credit. In 1996–2000, 51 percent of the cars were bought with credit, and the number today should be significantly higher than that. Indians have discovered the power of credit and it is making their lives vastly richer.

With the withering of archaic barriers, and the expansion of markets in countries like India and China, we have seen the greatest increase in human wealth for the largest number of people in the history of mankind. In these two countries, per capita GDP remained roughly constant between 1820 and 1950, increased 68 percent between 1950 and 1973 and 245 percent between 1973 and 2002. The improvements over just the last thirty years represent 5 trillion dollars of additional wealth created every year in prices adjusted for purchasing power. To find out if markets harm the poor, ask the Chinese entrepreneur manufacturing plastic flowerpots, who only two decades ago was digging meaningless holes on a co-operative farm. His answer will be a resounding no.

Even in developed countries the opportunities provided by the market to those who have talent but no money have been truly breathtaking. Despite the excesses of the Internet boom and bust, something has truly changed over the last few decades. An institution like the Search Fund, whereby a graduating MBA obtains the funds to search for a buyout candidate that she will then manage, would have been unimaginable twenty years ago. Finance used to be available only for the wealthy who had the collateral to back their promises. Now finance is available to fund the search for a dream, with the only collateral being the seeker's ambition. The talented have truly become freer to seek out opportunity, without being held back by their poverty.

Capitalism at Risk

DESPITE ALL these benefits from freer markets, it is too early to celebrate their victory. While borders have opened, they can close again. Foreign competition in the United States is now touching areas like services that used to be immune before. An accountant in the Philippines can now do your taxes via the Internet as effectively as someone from H&R Block across the street. The service sector in developed countries is unused to such competition and can react forcefully. Already some states in the United States are threatening to blacklist businesses that outsource service processes to other countries.

In times of economic distress, the foreigner and his goods become a particularly easy target. The attitude of the largest economy in the world is particularly important in determining whether protectionism will come to dominate the world over. And this country has sent mixed signals in the recent past. The steel tariffs were followed up by enlarged farm subsidies. With growing antagonism, will the United States be happy to be dependent on China for so much of its manufactured inputs? More restrictions may be on the way.

Trade protectionism is particularly detrimental to capitalism elsewhere because it undercuts strong constituencies for free markets in other countries and prevents those borders from opening up fully. And if unchecked, other countries will take an eye for an eye, making the whole world eventually go blind.

Corporate scandals have not helped. One of the reasons people in this country tolerate the enormous inequalities in

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income and wealth, say relative to Europe, is because there is a perception that markets are fair and success is accessible to all. Corporate scandals suggest that the CEO, his investment banker, and their friends play on a different playing field than the ordinary pensioner. The danger is that ordinary people might get disillusioned with reform and shift their support to demagogues who seek to replace the market. Equally bad would it be if reforms are hijacked by special interests who use the turmoil to carve out their own little privileges

And in the medium term, at least, developed countries must confront the problem of rapidly aging populations. As we have more and more politically powerful old citizens in developed countries depending on fewer and fewer economically powerful young, new tensions over taxes and property will arise. Similarly, as old developed countries have no option but to invest in young developing ones we will have to find better ways than we have in the past of assuring the security of that investment.

Given all these challenges, how do we ensure that political action is public-spirited and that the rules and regulations are not made to protect the interests of a few? How can we make capitalism more politically stable in developed countries? How can we bring the poor into its fold in developing countries?

Policy Initiatives

WE SUGGEST three broad policy objectives and some examples of specific policies derived from these. Viewed in isolation, some of these policies might seem perverse; when seen in the context of mutually reinforcing objectives, they are not.

Open Borders: The first is to keep borders open to the flow of goods and capital. This is especially important for developed countries because in doing so they encourage constituencies that will create better markets there. Specific policies include reducing farm subsidies, making sure that new protectionist barriers do not rise around services, and offering developing countries carrots for reducing their own barriers.

The opening up that has come about through dialogue between nations, earlier in GATT and now in the World Trade Organization (WTO), shows that international forces can curb the power of domestic lobbies. But the recent breakdown of the WTO talks in Cancun indicates that the power of domestic lobbies has not been extinguished, either in developed or in developing countries. We hope these negotiations resume in earnest because the alternative, bilateral agreements, are much more subject to the power of vested interests than a broad-based multilateral agreement.

Efficient Ownership of Productive Assets: The second objective is to encourage the transfer of productive assets into efficient hands. Inefficient owners tend to oppose rules that promote competition—they see the downside of freer markets rather than the upside of opportunity that those markets bring. One reason they do not sell out is that they get a variety of non-monetary benefits from their ownership such as perks, power, and status. In many developing countries they may also siphon off undeclared corporate income.

The current system of taxing income subsidizes this kind of ownership because such non-monetary benefits or theft are not taxed, while all the income generated by an efficient honest owner is fully taxed. One way to promote the transfer of productive assets into efficient hands is to move away from income taxes, which penalize the efficient, to property taxes, which demand owners earn on the wealth under their management. We do not

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advocate increasing taxes; we propose shifting their form.

Another way to improve asset ownership is to improve corporate governance. If managers of poorly run firms are fired, while the takeover market offers incompetent owners a graceful way out, then far fewer firms will need political protection. As recent studies show, the anti-takeover legislation passed by many U.S. states at the end of the 1980s significantly increased managers' and workers' pay, while slowing down increases in productivity. Hence, inefficient management such as those in steel found it easier to survive, and this created a powerful constituency in favor of anti-market actions like protective tariffs.

Iraq will provide an interesting test case for a strategy designed to make markets work for all. Before the recent war, about 60 percent of Iraqis depended on their government for their livelihoods. It is very difficult for people who are not economically independent of the government to stand up to it. The first step to creating a truly meaningful democracy (and then functioning markets) is to ensure that economic power devolves to the people.

In Iraq, the bulk of economic power today lies in oil. While this can be privatized and the stakes distributed to the people, nothing prevents a future government from renationalizing oil wealth—oil is an easily expropriated resource. The way for an interim authority to create economic checks and balances on a future government is to strengthen the entrepreneurial and professional classes, so as to enable them to stand up to a future government. This class has been decimated by years of sanctions, and reviving it will mean reconstructing educational institutions, repairing hospitals, and creating a new private delivery system for credit. It will also mean giving Iraqi firms and professionals preference in bidding for contracts during the period of national reconstruction. Finally, it will mean encouraging an outward focus by reducing trade barriers for Iraqi goods and services. If such a class emerges strong and confidant, it will be the world's best guarantee that Iraq will stay democratic, perhaps even spreading the bug to the rest of the Middle East.

The alternative, which is a very real possibility, is that large contracts are awarded to American firms close to Washington, or to powerful local bosses that the occupying authority needs to control the territory. Such an outcome would do nothing to reduce the concentration of power that made the Saddam Hussein dictatorship possible.

A New Safety Net Focused on Individuals: The current environment—ups and downs in the stock market, corporate scandals, the failure of major public firms, and international tensions—resembles the 1930s in many ways. One should not stretch the analogy, however; a major difference is the existence of social safety nets.

Before the Great Depression only 20 percent of the labor force in Western Europe had some form of pension insurance, only 22 percent had health insurance, and unemployment insurance was almost unheard of. As a result, the massive unemployment caused by the Great Depression created a huge political demand for some form of protection.

Governments sought a scapegoat in what was called "unbridled" competition. While the United States did not go too far down this road (because the Supreme Court struck down the National Recovery Act and its provisions for government regulation of the market), other countries are still suffering the consequences of the legislation introduced in the 1930s. Italy, for example, transformed the banking industry into local cartels, with long-term adverse effects on the local economy.[1] To

[1]See L. Guiso, Paola Sapienza, and Luigi Zingales, "Does Local Financial Development Matter?", NBER Working Paper No. 8923, 2002.

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this date, the areas where the cartel was tighter have less access to credit, less entrepreneurial activity, and less economic development.

While one can hope that developed countries will never again face such a savage and prolonged downturn as the Great Depression, one cannot be complacent. And emerging markets like Argentina have had, or are undergoing, near-Depression-like experiences right now. It is inevitable that future market downturns will generate demands for security and protection. It is also inevitable that in democracies such demands will be met. We need to prepare now so that these demands are met in ways that don't have the disruptive effects the Depression had on competition and markets.

Any safety net is best designed during a period of relative prosperity, when the pressure to help specific groups is lower and there is a better chance that the net will provide everyone reasonable security at low cost. In developed countries, some form of safety net exists but, as a legacy of the Great Depression, *it is too focused on protecting firms and not individuals.* It makes sense to shift the net toward individuals. One example of such a shift is private social security accounts that protect individuals directly.

Perhaps most important of all, the net in many countries helps people overcome temporary business cycle downturns but not a permanent loss of careers. Handouts are not useful in the latter case. Instead, opportunities for continuing education, job training and healthcare are necessary to make people who lose their careers see hope in the market again. The best form of insurance may indeed be an early education that imparts flexibility to the mind. A sound school system is critical here.

For developing countries, which often have no safety net except the family, it is of paramount importance to build a formal one because family ties often fray as people become more mobile in the market economy. The advantage these countries have is that they need not repeat the mistakes made by developed countries.

THERE IS no single proposal that will preserve the system of free enterprise from its enemies. This may not be a bad thing. Magic bullets, while certainly of much greater popular appeal than the incremental steps suggested here, often do more harm than good, even in the hands of the well meaning. Far better to have policies that, while individually moderate, can collectively check and balance each other.

While many in the developed world are now convinced of the superiority of the market democracy as a form of organization, far too few are aware of how fragile its political foundations are. The all-conquering market is a myth, and the sooner the myth is put to rest, the easier it will be to buttress the markets we have and keep them free. Awareness is critical; for too long, politicians have played upon the ignorance of the public and catered to special interests.

By contrast, in the developing world, too few have really experienced either true democracy or genuinely free markets. One of the worst consequences of colonialism has been the creation of domestic elites intended to bolster the colonizer's position. Mahatma Gandhi's greatest fear was that the "brown sahib" would simply take over where the "white sahib" left off, making independence and democracy a sham. Unfortunately, his fear came true in all too many countries. By embracing competition, wider access, and truly free markets, developing countries will rid themselves of this terrible legacy.

The developed world needs markets to grow in the developing world, not just because unrest in the latter leads to swarms of economic refugees into the former, nor just because aging retired populations in developed countries will

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have to depend increasingly on productive young populations in developing countries, nor even because those markets will absorb developed country goods today. The developed world needs a more open, competitive developing world because that is the best guarantee that capitalism in the developed world will stay vibrant, with capitalists motivated more by the opportunities for growth than by the fear of competition. We have to break the shackles holding back markets the world over. Our future depends on it. □

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Reviews & Essays

FDR's Legacy

Martin Walker

Conrad Black, *Franklin Delano Roosevelt: Champion of Freedom* (New York: PublicAffairs, 2003), 1360 pp., $40.

THE LEGACY of President Franklin Delano Roosevelt is crumbling. His great political gift to the Democratic Party—the extraordinary coalition that dominated American presidential politics for two decades, the influence of which endured in the House of Representatives until 1994—has finally broken. First challenged by the Dixiecrats in 1948 and then by the Goldwater campaign of 1964, a century of Southern white devotion to the Democratic cause was finally dissolved by Lyndon Johnson's Civil Rights Acts. That block of Southern votes, much enlarged by air-conditioning, right-to-work laws, foreign investment and economic vigor, has now transferred its loyalty to the Republicans. Without those votes, the remnants of Roosevelt's coalition have found it difficult to assemble clear majorities in the national electorate. Since the Civil Rights Acts, the only Democrats who have been able to outflank this Republican garrison and reach the presidency have been white Southerners.

The Roosevelt inheritance in foreign policy, not in full-blooded American engagement in the world but in a strategy that melded military alliances, declarative statements of global principle and new international institutions with the United Nations in pride of place, has come under increasing challenge since the fall of the Soviet Union, fifty years to the month after the attack on Pearl Harbor bombed America into its global role. The Cold War, with its Marshall Plan and the NSC-68 document that committed an unprecedented standing army to the defense of NATO, Japan and South Korea, was waged under a grand strategy that took its precedent and its respect for allies directly from FDR's World War II template. If the new phase that finally replaces the "post-Cold War era" is indeed to be "the global war on terrorism", then it is being waged under the principle that the mission defines the coalition, rather than Roosevelt's conviction that coalition maintenance was an end-in-itself.

Roosevelt's third important legacy was the harnessing of the financial power

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of the Federal government in the heroic effort to confront the Great Depression and save capitalism from itself. For the first time in peace, the Federal government's share of GDP soared above 10 and then above 20 percent. The era of Big Government had come, along with routine deficit-spending in peacetime and a large and permanent bureaucracy, and it remains to this day, despite President Bill Clinton's assertion that the era was over. Along with it came Roosevelt's other profound legacy, the transformation of the federal government into an instrument of income redistribution through Social Security, which established the responsibility of the state for the welfare of its elderly citizens. This too is now coming under challenge, as an aging population, accustomed to ever more lavish state maintenance, starts to test the political and fiscal limits of Roosevelt's redistributive system.

ROOSEVELT'S eminence (and most biographical assessments rank him alongside Washington and Lincoln) may have obscured the degree to which his achievements are being eroded. And Conrad Black, who found time amid the distractions of running a global media empire to write this monumental and admirable biography, challenges the very idea of their erosion. He lists in his conclusion seven great Rooseveltian achievements and then argues that they paved the way for something even greater. Few would disagree with at least the first four, and probably the last two, that Black claims for his subject.

First, "he was, with Winston Churchill, the co-savior of Western civilization."

Second, Roosevelt secured "the anchoring of the United States in the world." He "led American opinion from profound isolationism in 1937 to accepting war rather than an Axis victory in 1941, even before Pearl Harbor galvanized the nation." This, according to Black, "was arguably the greatest tour de force in the history of democratic government."

Third was Roosevelt's "reinvention of the American state." The President "involved the government in many areas where its presence had been limited or non-existent", making him "both the savior of American capitalism and the foremost reformer in the country's history." Because of Roosevelt's achievement, Black argues, "American capitalism ceased to be a menace to itself and became an unambiguous engine to greater and better distributed prosperity." Roosevelt thereby "restored the confidence of Americans in their country."

Fourth, Roosevelt "was an almost uniformly successful war leader. . . . His strategic insights were almost always accurate" and "[h]is command appointments were excellent." Black argues that "[t]he management of relations with Stalin and Churchill, apart from the purely military matters, required almost preternatural insight and finesse." Furthermore, "American war production made an indispensable and immense contribution to victory. And it was achieved in a fine and relatively unabrasive partnership between the private and public sectors and business and labor."

Fifth, and probably most controversial (because the argument that sustains it must be stretched 45 years beyond FDR's death), Black credits Roosevelt with the

> creation of the circumstances that enabled his postwar successors to complete the allied victory in World War II, liberate eastern Europe, and make the world safe for democracy at last. . . . If he had been ambivalent about imperialism, had not forced Stalin, when the Russian leader subjugated eastern Europe, to violate agreements with the Western allies and arouse American political and public opinion, and had not drawn the United States into an international organiza-

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tion even before the war ended, Stalin might have been able to snaffle up eastern Europe without bringing an unwinnable war of containment and ideological and military competition down upon himself.

Absent Roosevelt's courage, "the Soviet era, in Russia and its satellites, could have been very prolonged." In short, Black claims his subject "created the principal elements for victory in the Cold War."

Sixth, and here the author is on much safer and less questionable ground, Black hails Roosevelt for his

> unmatched mastery of the American political system. . . . In twelve years as President, Roosevelt's only political defeats were on the Supreme Court packing bill and his attempted party purge in 1938. These are minor (and temporary) setbacks against an avalanche of electoral and legislative success with nothing slightly resembling a precedent or a sequel in American history, nor, probably, in any other of the great democracies.

"Ronald Reagan", Black writes,

> could stir and shape national opinion and was an important president, but his entire program was essentially tax reductions and simplification and an arms buildup. Roosevelt governed more than four years longer, far more radically and in much more complicated times than Reagan.

Seventh, Black departs from high politics and grand strategy to salute his subject's personal virtues:

> Not only the courage and determination to prevail over his disability while disguising its extent, but the implications of his triumph for all who strive against heavy odds, whether medically afflicted or not. The importance of his example is immeasurable and almost inexpressible, but it is real to anyone who considers it.

THESE conclusions are worth quoting at length because this book is not simply splendid and thorough, marvelously readable and valuable, it is also a sustained and challenging argument. A powerful and impassioned case is being made, in strong and sinewy language, by a biographer who reveres his subject, relishes the thrust of debate and repeatedly engages his putative critics on the page. The entire book (all 1,360 pages of it), though too heavy to read comfortably in bed or even on one's lap, leads up to these declarative conclusions.

Moreover, this is no hagiography. Roosevelt's great 1932 campaign speech at the Commonwealth Club in San Francisco, when he argued that (in Black's astute summation) "property rights had been corrupted into corporate rights" does not impress the biographer. "The great intellectual tour de force of Roosevelt's campaign was in fact largely an unsettling mélange of socialism, atavism, humbug and snobbery." Black has few illusions about his subject's "pious trumpery" and "insatiable vindictiveness", as well as his devious and sometimes shabby ways, which included using the Internal Revenue Service against enemies like Huey Long, Colonel Robert McCormick (owner of the Chicago *Tribune*) and Andrew Mellon. As undersecretary of the Navy, Roosevelt played an unsavory role in a scandal about homosexual sailors in 1919 and 1920: he unleashed undercover naval intelligence agents to spy on them and the civilian population, connived in blackening an innocent clergyman's name and then lied about it. Roosevelt often stretched the truth, claiming for example in his 1920 vice-presidential campaign to have written the constitution of Haiti and to have had "something to do with running a couple of little Republics." Black rightly calls this "a flight of self-serving invention."

Roosevelt also sought credit for combat experience in World War I, asking to

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be listed on the Groton school memorial: "I saw service on the other side, was missed by torpedoes and shell and had actual command." This was the result of an inspection tour in the summer of 1918, in which he crossed the Atlantic on an American destroyer and the Channel on a British one, stayed at the Ritz in London (where he called on King George V) and at the Crillon in Paris and enjoyed "a tour of five-star restaurants and risqué nightclubs" before heading for the front. He did come under shellfire while visiting the King of Belgium, and his destroyer was bombed (unsuccessfully) by a German warplane while returning to Britain. Nonetheless, this hardly amounted to a rigorous tour of duty.

Roosevelt was not much of a businessman and was involved in some shady companies during the 1920s boom, including (in partnership with Henry Morgenthau) one that marketed talking vending machines selling pre-moistened stamps (the shares of which sank from $18 to $0.12), a German Trust that went nowhere and a dubious bond scheme from which he extricated himself shortly before the roof collapsed. As his wife Eleanor noted, Roosevelt "was not experienced and not always wise" in business.

He was, however, admirable in character and courage when facing the trial by fire of his crippling polio attack, an episode Black recounts splendidly, with sympathy and insight, and at entirely justified length. This chapter, which displays Black's strengths as a descriptive and narrative historian, contrasts sharply with his handling of the crisis of the Roosevelt marriage, when Eleanor found evidence of her husband's adultery in the Lucy Mercer letters. Black appears bored by Eleanor, finding her tiresome and often silly. (By contrast, he paints a memorable portrait of Roosevelt's political aide, the former journalist Louis McHenry Howe.) The dynamics of the marriage, and the nature of Eleanor's relations with her mannish female friends, do not greatly interest the author.

Black is the kind of biographer who is far more concerned with what his subject did than in trying to assess what kind of person he was. The book is, in general, mercifully free of the amateur psychology that marks so many biographies these days. Black acknowledges that Roosevelt was a very hard man to fathom, because he said so many different and often contradictory things to different people. His easy charm, his readiness to nod and be congenial, left most of his interlocutors convinced they had his agreement when all they had enjoyed was some of his attention. Complicating matters further was the fact that Roosevelt, unlike Churchill, left no memoirs. Even the official minutes and transcripts of his various meetings frustrate historians by their vagueness and mercurial changes of direction. What remains for the historical record are the wildly varying and inconsistent accounts, left by many of the lesser players, of what Roosevelt said or hinted.

"As always with Roosevelt, only the general outlines of what he thought can be discerned from the conflicting signals he sent in all directions and only his deeds are a guide to his thoughts", Black concludes. Roosevelt thus benefits from being judged by his achievements, since the mental path that led him there was so often deliberately obscured. This could make him a baffling partner, as Churchill found in 1942, when Roosevelt was urging that India be granted temporary dominion status under a regime akin to America's Articles of Confederation in the 1780s—whatever that meant. Roosevelt added to this arresting proposal a note, "For the love of heaven don't bring me into this, though I do want to be of help. It is, strictly speaking, none of my business." (Churchill told his staff that he could agree with only the final part of this message, possibly the only bit he understood.)

Black draws Roosevelt's relationship

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with Churchill in far more detail and with much greater care than any other, including the Roosevelt marriage. It did not begin well. At their first meeting, in London in 1919 (which Churchill had evidently forgotten), Roosevelt thought Churchill behaved "like a stinker", apparently because Roosevelt thought he had given a splendid speech and received too little praise. Their second noteworthy encounter came in 1940, when Churchill, newly installed as prime minister of an embattled and imperiled nation, telephoned Roosevelt at the White House. It must have been for Churchill a highly charged and pivotal moment. Roosevelt took the call, then returned to the company of his houseguest from California, Helen Gahagan Douglas, to ask her if it was true that the film director Anatole Litvak and the actress Paulette Goddard had made love under the tables at Ciro's. Indeed so, the future Congresswoman assured him, "to Roosevelt's great amusement, and approval."

As one may already gather, Black has a fine eye for the telling anecdote, however it reflects on his subject. Largely for his own amusement, but possibly also for the pleasure of humiliating another, Roosevelt required Joe Kennedy (in the presence of his eldest son, James) to remove his trousers so Roosevelt could see whether he was too bandy-legged for the knee britches that were part of formal dress at the Court of St. James. Determined to become Ambassador to London, Kennedy accordingly dropped his trousers, and when Roosevelt demurred that with such legs he might be "a potential embarrassment to the nation, Kennedy responded immediately that he would seek a dispensation to wear striped trousers and a swallow-tail coat if the President would give him the post."

Some readers might resent the occasional introduction of a personal note by the biographer; this reviewer finds it refreshing and informative of Black's disposition when he comments of his subject's pleasure in the company of Hollywood celebrities: "Roosevelt always knew that the intellectuals, like the film actors, would be reduced to the status of helpless groupies with a little attention and generosity from a stylish and sympathetic president." And Black suggests that Roosevelt was "almost surely" sincere when he informed Orson Welles, "Orson, you and I are the two best actors in the country." (The popular young singer Francis Sinatra was also impressed, naming his son Franklin in Roosevelt's honor, although that could easily be truncated to Frank.)

ONE OF Black's personal interventions might raise eyebrows. Discussing the appointment of General Dwight D. Eisenhower to command the D-Day invasion, Black suggests:

> In some respects, the best choice for Overlord would have been MacArthur, the West's greatest strategic genius. . . . America's greatest battlefield commander, thorough in tactics and frequently possessed of strategic genius, MacArthur was an inspiring leader and an imaginative theater commander.

Black goes on to propose that, had MacArthur led the invasion in September 1943, the Western allies might have reached Berlin a year before the Russians. Had this happened, "[i]t would then have been possible to reconstitute Poland, Hungary and Czechoslovakia as neutral states, as Finland and Austria were, and possibly to have reduced the likelihood of the Cold War." This is a stretch, or perhaps a *folie d'esprit*, that continues down this diverting but inconsequential might-have-been path for two-and-a-half pages.

Such diversions illustrate the degree to which this is not a conventional biographical narrative penned by a distant, objective writer. Although it commands all of the detail and authority (and most of

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the benefits) of such an approach, Black's book is a more personal and engaged account. This comes out more fully in his analysis of Roosevelt's international role than it does in his treatment of the New Deal, in part because Black is determined to make the argument that Roosevelt's intuition perceived Hitler's menace from the beginning.

"Hitler is a madman, and his counselors, some of whom I personally know, are even madder than he is", Roosevelt told the French Ambassador Paul Claudel in April 1933. Hans Dieckhoff, the German Ambassador until 1934, concluded that Roosevelt was Hitler's "most dangerous enemy" and had "a pathological hatred" for the German dictator. In October 1937, Roosevelt gave a somber radio address, warning "Let no one imagine that America will escape, that America may expect mercy, that this Western hemisphere will not be attacked." Shortly thereafter, the American munitions industry began to expand. From mid-1938 until the end of the 1939, the production of airplane engines tripled, and, despite the Neutrality Act, Roosevelt announced to his cabinet that the French should buy all they wanted. In February 1939, the *New York Times* quoted him (from a meeting with various senators) describing France as "the actual frontier of America in an apparently inevitable showdown between democracies and dictatorships." Black gets a touch carried away here, suggesting that

> Supreme political artist as he was, he cannot have failed, by the beginning of 1939, to have glimpsed this destiny that would carry his country to heights no nation had ever occupied and himself to a position in American history rivaled, if at all, only by Washington and Lincoln.

Black refers more than once to Roosevelt's intuition, but, in making the case that he foresaw the Cold War and subtly positioned America and her allies at Yalta to win it, Black is suggesting something close to Rooseveltian prescience. The best evidence is the meeting with British Foreign Secretary Anthony Eden in March 1943. Here Roosevelt accepted that the Baltic states would fall to Stalin (though he hoped for some fig leaf of respectability, even "a rigged referendum", in Black's words), recognized that Poland's borders would be redrawn to Russia's advantage and acknowledged the threat that Stalin would "overrun and communize" continental Europe. At the Quadrant conference in August 1943, Roosevelt thus wanted a military plan for Allied forces to reach Berlin at the same time as the Red Army. His private map showed Berlin as the point where the Soviet and Western zones should meet.

Black is ferocious in defending Roosevelt from those "posturing" critics who saw him as naïve about Stalin, outmaneuvered at Yalta and cavalier about Eastern Europe's descent into Soviet rule. Black rightly stresses that the pass was sold in January 1944, at the European Advisory Commission, when the postwar occupation zones were agreed to by the British and Russian delegates over American objections. But, had Roosevelt been committed to denying Stalin Eastern Europe, one might have expected more American enthusiasm for the British plans to thrust on Berlin and less acquiescence in Eisenhower's slow and steady broad frontal advance.

In the end, battle proved the ultimate verdict. The Russians were prepared to lose 300,000 troops to take Berlin, and the West was not. Perhaps it had been decided even earlier. The failure of the British to link up with their parachute division at Arnhem in September 1944 doomed any hope of bouncing across the Rhine and into Germany before winter. As the brave paratroops marched off to captivity, frustrated in one of the war's boldest ventures, Churchill told his secretary John Colville that there was "nothing I can do for the

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Poles." He then arranged to fly to Moscow to present Stalin with the infamous scrap of paper that consigned the Balkans to Soviet mercies. With a large blue pencil, Stalin scribbled a tick, and, with Roosevelt half a world away, the fate of half a continent was decided.

COLD WAR historians will gnaw over Black's conclusions, particularly his suggestion that Yalta was at least a moral victory for Roosevelt and that he (along with American economic power) left the West well placed to prevail in the Cold War. Curious, therefore, that at the end of each decade thereafter, a thoughtful observer might have judged the West to be *losing* the conflict. China came under Communist control at the end of the 1940s; Sputnik displayed Soviet technological prowess at the end of the 1950s; riots in America and bloody frustration in Vietnam made America look vulnerable at the end of the 1960s and so on.

The irony is that Black does not need to award Roosevelt yet more laurels for perceiving the contours and likely course of the Cold War. Whatever one's judgment of the Cold War's opening phase, Black's final conclusion holds good: "Roosevelt created the circumstances in which America and the other democracies could win the peace . . . ." But then, rather endearingly, Black returns to the fray and concludes that sentence with a challenging new claim: ". . . . and lead the world to a happier time than it had ever known before." Discuss, as they say in academic examinations. This is one final reminder why Black's book is not just the best Roosevelt biography so far, but also by far the most enjoyable, even though the author's love of argument can at times make it feel like going 15 rounds with a heavyweight boxing champ. □

Martin Walker is editor in chief of UPI and author of *The Cold War: A History* (Holt, 1995).

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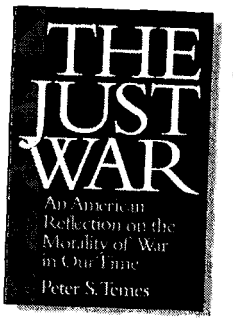

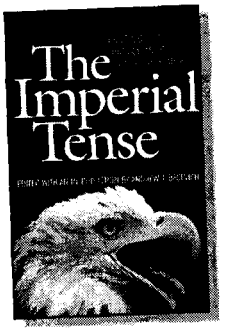

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Revolutionary Nepotism

Steve Sailer

Adam Bellow, *In Praise of Nepotism: A Natural History* (New York: Doubleday, 2003), 576 pp., $30.

Frank K. Salter (ed.), *Risky Transactions: Trust, Kinship and Ethnicity* (Oxford: Berghahn Books, 2002), 288 pp., $79.95.

THE UNITED States currently confronts foreign policy challenges involving such highly disparate foes, friends and in-betweens as North Korea, Syria, Saudi Arabia, Indonesia, Azerbaijan, Jordan, Morocco, the Congo and the Philippines. All these countries, however, possess one striking common denominator. Although dynasticism is supposed to have died and been buried by meritocracy, these countries are all led by the children of former heads of state.

The same is true of America, whose president is not just the son of a president, but also the grandson of a senator and brother of a governor. Americans tend to be willfully blind to the crucial subject of nepotism. We disapprove of it, so we feel we ought not to think about it—a dangerous illusion as we pursue a more activist foreign policy that brings us in touch with cultures that approach the topic quite differently.

The return of family rule should not surprise us. Nepotism and its more formal offspring dynasticism have provided the basic organizing principles of politics for much of human history. For example, in the early 20th century, the ruling aristocracy of Mongolia, which comprised 6 percent of the population, still consisted of the descendants in the direct male line of Genghis Khan, even though he had been dead for almost 700 years.

Indeed, Genghis Khan, who was known as The Master of Thrones and Crowns, was so successful at propagating his lineage, both by fathering countless children and granting some of his heirs enormous and enduring political privileges, that his genetic footprint on a vast swath of Asia from the Pacific to Afghanistan leaps out at population geneticists today. A 2003 study of male Y-chromosomes discovered that about 16 million living men are his direct patrilineal descendants. That's a level of dynastic success, in the Darwinian sense of the term, approaching one million times greater than that of the typical man who was alive back then.

As ferociously exemplified by The Mighty Manslayer, this urge to help copies of one's genes survive and spread is the basis of nepotism, which biologists define as altruism toward kin. It encourages human beings to help their offspring and relatives achieve power and prosperity.

The recent book *In Praise of Nepotism* by Adam Bellow (son of Nobel Laureate Saul Bellow) documents how the great English biologist William D. Hamilton's 1964 elucidation of the genetic reasons behind altruism toward kin formed the plinth upon which the field of sociobiology was built. Hamilton's paradigm became more widely known from Richard Dawkins' 1976 bestseller, *The Selfish Gene*. A more accurate, if still anthropomorphic name, would have been *The Dynastic Gene*, since genes thrive by promoting copies of themselves in others.

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Of course, biology can explain only the rudiments of the manifestations of family feeling in the political world. Further, scientists have barely begun to consider the flip side of the desire to establish a dynasty—the widespread desire to be ruled by one. Evidence for the resurgent importance of dynasticism and nepotism is everywhere. In a broad swath of southern Asia, running from Pakistan, through India, Sri Lanka, Bangladesh, Indonesia and on to the Philippines, the dynastic urge has often worked in conjunction with the democratic impulse. In each, voters have chosen widows or daughters to carry on from their late men-folk the family business of running the country.

Some of these women entered politics to avenge the killing or overthrow of their husbands or fathers. For example, Corazon Aquino was elected president of the Philippines following her husband's assassination by dictator Ferdinand Marcos' goon squad. Benazir Bhutto ruled Pakistan after the downfall of General Mohammad Zia Ul-Haq, who had overthrown and hanged her father. Indonesian president Megawati Sukarnoputri is the daughter of the former leftist ruler Sukarno. Sheik Hasina, prime minister of Bangladesh from 1996–2001, is the daughter of the founder of independent Bangladesh, Sheikh Mujibur Rahman, who died in a military coup in 1975.

In India, the Congress Party chose as their leader in the 1999 election Sonia Gandhi, widow, daughter-in-law and grand-daughter-in-law of prime ministers. She lost party control, though, after leading Congress to merely a second-place finish. Runner-up is considered a disgraceful performance for anyone bearing the magic name of "Gandhi." The high hopes invested in Sonia were testimony to the glamour of the dynasty. Without the Gandhi name, Sonia—a Roman Catholic Italian who doesn't speak a single Indian language terribly well—would have been just about the least likely person to become head of a major Indian party.

American men have not thought highly of kings since 1776 (although American women traditionally have been notoriously intent on being presented at court). We chose not to revive the monarchy in Afghanistan, even though sentiment for *de facto* dynasties is strong in nearby countries, and the monarchy was the only institution that had ever provided a centripetal force in that fractious land.

Dynasticism is far from confined to Asia. Here at home, powerful men's sons and, increasingly, their wives and daughters, are succeeding to political leadership with a regularity reminiscent of the feudal days of old Europe. In 2002, for instance, Senator Frank Murkowski was elected governor of Alaska and promptly named his daughter Lisa to take over his seat in the U.S. Senate, saying he wanted the person who succeeded him to share his vision and values for the future of the state, which apparently includes Alaska being a satrapy of the Murkowski clan.

In Chicago, two of the biggest names—Mayor Richard M. Daley and Congressman Jesse Jackson, Jr.—are also among the oldest. Winners in the 2002 elections included House Democratic leader Nancy Pelosi, daughter of the former mayor of Baltimore; North Carolina Senator Elizabeth Dole, wife of former Senator Bob Dole; Massachusetts Governor Mitt Romney, son of George Romney, former governor of Michigan; and New Hampshire Senator John E. Sununu, son of former Governor. John H. Sununu. Even California's new Republican governor Arnold Schwarzenegger, an immigrant bodybuilder who would seem to be at first glance the most self-made of men, is the politically wayward son-in-law of the dynasties of the Kennedys and their non-evil twins, the Shrivers. It seems that as Americans have found other, more amusing entertainments than following

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politics, the public appears to have become increasingly reliant upon famous brand names.

Scions are also found in appointed positions. "No sooner had Bush taken office (after an invocation by the son of Billy Graham)", Bellow writes, "than he began handing out appointments to members of other Republican families", such as FCC Chairman Michael Powell, son of the Secretary of State, and Secretary of Labor Elaine Chao, wife of Senator Mitch McConnell. The children of Antonin Scalia, Dick Cheney and Strom Thurmond also benefited.

None of this has excited much disapproval among Americans. As Bellow told me recently,

> There is a deep emotional satisfaction that we all understand in the pride of a father whose child wants to emulate him. Americans value the reassurance and security of a certain amount of continuity at the top in a highly mobile and volatile society. People are comforted by a familiar name and face.

Indeed, the growing importance of women may be contributing to the return of family ties among leaders. First, many rules against nepotism in, say, academia were relaxed in the 1970s and 1980s when it was realized that much of the best female talent was married to the best male talent, and, consequently, rules intended to prevent favoritism and corruption were harming the ascent of women, or at least the ascent of talented women.

Further, as political consumers, women tend to be more interested than men in the kind of family stories that dynasties generate. You may recall the death of Princess Diana in 1997. Many commentators curiously opined then that the tidal wave of grief signified that royalty had outlived its time. In reality, dynastic life remains highly popular because it offers soap opera in the guise of affairs of state.

The women of the world did not idolize "Princess Di" for her charity work or some other such bogus rationalization. No, they loved her because Di, unlike other female celebrities such as Madonna, didn't have to claw her way to the top of the celebrity heap. She didn't do anything to get there. She was just picked out for who she was—young, beautiful and a virgin: a princess from a fairy tale.

Monarchism would not have been so popular for so long if it also did not offer to the ruled at least some practical benefits as well. Compared to transient kleptocracies, the common folk benefit from dynastic rule because the likelihood of passing royal dominions down to their offspring encourages their rulers to think about the long term. Science-fiction novelist Jerry Pournelle said, "Politicians look to the next election. Statesmen *may* look to the next generation; but monarchs *must* look to the next generation." Rather than laying waste to their realms, the dynastic system gives kings incentive to cultivate their domains well so their children can inherit a prosperous and content land.

Dynasts are particularly inclined to build impressive civic monuments. Consider Chicago, where Mayor Richard M. Daley has won five terms, just one short of his father Richard J. Daley's record. Many Chicagoans feel that when Daleys are not in power, tax dollars often disappear into well-connected pockets without leaving a trace. In contrast, the current Mayor Daley has seen to it that at least some of the public's money gets spent on a long list of beautification projects, many inspired by his visits to Paris and other regal cities. If future generations of Daleys wish to run for mayor, these elegant works will serve to remind voters of the splendor of the name "Daley."

Although some dynastic systems institutionalized competition—most notably, the Ottoman, in which scores of

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half-brothers would fight to the death—one of monarchism's subtler appeals was its hint of egalitarianism. Those who inherit their positions don't need to seize them through raw talent or ruthlessness. While some Americans are driven to fury by how George W. Bush seemed to amble into the Oval Office without first displaying many distinctive accomplishments or abilities, many others seem to find it appealing that their President is a regular guy. When he says he only glances at newspapers, they identify with him.

Still, in a competitive world, the main practical shortcoming of hereditary rule is regression toward the mean. Dynasties are typically founded by exceptional men, but the genetic randomness inherent in sexual reproduction means their children are unlikely to match fully their capabilities. The children of highly intelligent couples, for instance, tend to wind up with IQs roughly halfway between the average of their parents and those of the general population. Dynasties have long revitalized their gene pools by marriages to up-and-coming commoners, such as Arnold Schwarzenegger.

THERE ARE, of course, more sinister aspects to the revival of nepotism. Frank K. Salter, an Australian political scientist now with the Max Planck Institute in Andechs, Germany, points out in the book he recently edited, *Risky Transactions: Trust, Kinship, and Ethnicity*, that in failed states where the government cannot provide security and justice, the boundaries between freedom-fighters, gangsters and terrorists can become obscure and shifting. The common denominator tends to be that they organize around blood ties, because the highest level of trust is found within families.

These intense family bonds are most often found in areas where government is ineffective or illegitimate or both. These are places where you need your extended family's muscle to survive, because the police are either feckless or predators. There's a vicious circle: Strong and just governments are also hard to establish and maintain among populations whose extended family structures are conducive to mafia-like activities.

This might be especially true in countries where inbreeding is common: cousin marriage is remarkably common from Morocco to parts of India. For example, two studies in the later 1980s found that half the married people in Iraq are wed to either a first or second cousin (versus under 1 percent in the United States). These "consanguineous" marriages strengthen family loyalty. If you arrange for your daughter to marry your brother's son, your grandson and heir will also be your brother's grandson and heir, so there is no need to fight over who inherits the family land or herd.

On the other hand, cousin marriage undermines loyalty to the state and society, which is one reason why Middle Eastern countries teeter between anarchy and tyranny. Shortly before the recent war, commentator Randall Parker wrote on his website, parapundit.com:

> Consanguinity is the biggest underappreciated factor in Western analyses of Middle Eastern politics. Most Western political theorists seem blind to the importance of pre-ideological kinship-based political bonds in large part because those bonds are not derived from abstract Western ideological models of how societies and political systems should be organized. Extended families that are incredibly tightly bound are really the enemy of civil society because the alliances of family override any consideration of fairness to people in the larger society. Yet, this obvious fact is missing from 99 percent of the discussions about what is wrong with the Middle East. How can we transform Iraq into a modern liberal democracy if every government worker sees a government job

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as a route to helping out his clan at the expense of other clans?

Salter also points out that family-based mafias especially flourish when totalitarian regimes collapse, as in the Soviet Union, the Balkans and now Iraq. The ideological dictatorships destroyed most of the non-family associations of civil society (such as corporations, labor unions and political parties). Along with the secret policeman's alumni club, one of the few forms of organization that always survives totalitarianism is the basic biological one of kinship.

Not surprisingly, failed and ex-totalitarian states torn apart by battling clans generate large numbers of refugees and émigrés. They tend to gravitate toward more ethnically homogenous, less nepotistic northern regions like Scandinavia, where the Rousseauvean citizenries offer lavish welfare because they are not yet familiar with their new arrivals' more Hobbesian worldviews.

The organized crime business is particularly attractive to immigrants with strong family loyalties because their ability to ostracize family members who betray their trust can give them a competitive advantage in illegal enterprises where participants can not demand that the courts enforce their business agreements. If a relative cheats, they do not have to shoot him. Instead, they can just make sure nobody will marry his children.

A chapter in *Risky Transactions* penned by University of Amsterdam anthropologist Anton Blok quotes Oxford sociologist Diego Gambetta's book *The Sicilian Mafia* on the value of family ties between the Italian and American crime families:

> These ties allowed greater flexibility and safety. In the relationships between [Sicilian] Mafioso organizers and the Italo-American gangs receiving the merchandise [heroin], where there is mutual trust over time, it is possible for one courier to arrive from America with the money while the merchandise itself is entrusted to another courier. Since no such privileged bonds existed between Sicilians and Middle Eastern suppliers, importing was a more cumbersome operation.

After several generations of assimilation and increased returns to southern Italians from honest work, the Italian mafia has faded in importance on the world stage, only to be replaced by new immigrant mafias. For example, Canada's *National Post* reported on April 13, 2000 that

> "Kosovo Albanians make the perfect mafia—even better than the Sicilians", said Marko Nicovic, vice-president of the New York-based International Narcotics Enforcement Agency. "They are a small ethnic group made up of clans or families that have very close to family relations. The brotherhood, or Fic, is impenetrable by outsiders. It is difficult to find translators to work with police and impossible to get an informer or agent inside the organizations."

Finally, radical regimes that have lost their faith tend to gravitate toward nepotism and dynasticism, as ideology fades and biology reasserts itself. Having been founded on a revolutionary rejection of legitimacy, they wind up with crypto-hereditary systems with few of the legitimizing trappings and functions of the monarchies that many of them originally overthrew.

THERE ARE sources of legitimacy and mechanisms for transferring power in democracies and monarchies that revolutionary powers do not possess. In Europe, the certainty of accession provided the assurance of stability. And, the rigorous military training traditional for European royalty had character-building benefits (seen as recently as

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1981, when Spain's King Juan Carlos coolly faced down a coup).

The United States is almost the only state that has a genuine republican tradition that can call on the pride and loyalty of its citizens. Almost all other republics either have disputed constitutional histories (France) or a rather dry legalistic character that shrinks from requesting patriotism (Belgium or Blair's UK).

The Chinese Communist Party seems to be following in the footsteps of Mexico's amusingly named former ruling party, the Institutional Revolutionary Party (PRI), as the Communists seeks to maintain legitimacy by constant appeals to the glories of the Revolution combined with informal term limits on its supremos.

The enormous productivity of China's coastal provinces has provided the elite with a sizable margin for error. Still, the greed of the Party's princelings engenders much resentment, perhaps more than any other aspect of the regime. To combat this, the Party occasionally executes a corrupt lower-level official to encourage the others.

Since there is little racial difference between the rulers, the entrepreneurs and the masses in China, frustration tends to be diffused toward multiple minor targets. In contrast, as detailed in Amy Chua's book *World on Fire*, in Southeast Asia, the corruption of the ruling families and the riches of the Overseas Chinese business elite make for a volatile combination. The children of the indigenous dictators, such as Bong-Bong Marcos in the Philippines and Tommy Suharto in Indonesia, tended to pocket huge profits by granting Chinese cronies monopolies in return for partnerships. The overthrow of the Indonesian regime in 1998 coincided with an anarchic pogrom against the Chinese minority.

In the Middle East, the fizzling of leftist secular ideologies has led to dynasticism, as it has in Syria where Ba'athism has given way to Assadism. In neighboring Iraq, however, neither of that gruesome twosome, Qusay and Uday Hussein, will be following their father into power. Farther westward, in Egypt, the noisy secularist ideology of Gamal Nasser may become literally nominal—one of the two main candidates to succeed Hosni Mubarak is his son, Nasser's namesake Gamal Mubarak.

The failure of the revolutionaries in the face of rising Islamic fundamentalism paradoxically makes dynastic succession appear to be the safest choice for those fearing an Islamist takeover. Yet, the unfairness and inefficiency of nepotism can also feed Islamic extremism, as in Afghanistan in the mid-1990s, when many Afghan patriots, tired of the battling of the family-based warlords, turned to a movement of religious students in the hopes that their Quranic ideals would heal the rifts between clans. They were known as the Taliban, and everyone is aware of how that story ended.

The evolutionary anthropologist Gregory M. Cochran suggests that the future of hereditary rule is even brighter than its present. Some day, megalomaniacal strong men like Saddam Hussein will be able to avoid breeding flagrantly defective potential successors like Uday, or even normally regressive ones like Qusay, merely by cloning themselves.

America's lack of intellectual discourse on nepotism and dynasticism provides a near perfect example of what Harvard's human nature scholar Steven Pinker calls (with a nod to David Hume's "naturalistic fallacy") the "moralistic fallacy." We *think* these phenomena ought not to exist and therefore we speak and write *as if* they do not exist. This is a luxury we simply can no longer afford. □

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Waughior

Keith B. Richburg

William Deedes, *At War With Waugh* (London: Macmillan, 2003), 125 pp., 12.99 £

IT HAS long been one of the worst-kept secrets among that tight-knit community of those of us commonly deemed "war correspondents"; that is, that Evelyn Waugh's fictitious masterpiece *Scoop*, about journalistic follies in a make-believe place called Ismaelia, was in fact not parody at all, but a frighteningly accurate portrait of the working press at its very worst. But what makes *Scoop* even more enduring is that it seems to defy time. Waugh's nature-writer-turned-war-reporter William Boot, crating up his cleft sticks and canoe to travel to the front, could just as easily have been the latter-day hacks in Kuwait last February and March, stocking their rented Land Cruisers with boxes of tuna, cartons of bottled water, and fuel-laden jerry-cans, while twiddling their thumbs for weeks in five-star hotels waiting for the bombs to begin falling on Baghdad.

Now along comes William Deedes, the 89-year-old former editor of Britain's *Daily Telegraph*, with a short and delightful new memoir, *At War With Waugh*, in time for Evelyn Waugh's centenary, in which he gives us some juicy tidbits into the making of Waugh's classic while providing more evidence yet that *Scoop* was indeed closer to fact than fiction. Deedes was sent to Abyssinia in 1935 at the age of 22, a novice reporter who had never traveled beyond Switzerland, and he has long been rumored to be the true-life character on which Waugh's William Boot was based. Deedes, of course, gamely denies this—Waugh's Boot, after all, flew to Paris, then took the train to Marseilles, while Deedes went first to Calais. But for most of his 134 pages, Deedes proceeds to describe almost exactly the scenes and even the characters that made Waugh's *Scoop* perhaps his most memorable work.

In trying to deny he was the model for Boot, one can accept Lord Deedes' protests—but only "up to a point", as Waugh might say. When Deedes describes his own 600-pound kit for making his virgin foray as a correspondent—tropical suits, riding breeches for winter and summer, camp bed and sleeping bag, as well as bottles of quinine pills and "slabs of highly nutritious black chocolate"—the reader is reminded instantly of William Boot's consignment of a canoe, a humidor, ant-proof clothes box and the famous cleft sticks, to be used for filing his yarns. Deedes ended up traveling with Waugh—already a famous novelist and a seasoned Africa traveler with only one suitcase. Reading Deedes' account, one can gleefully imagine Waugh scribbling the notes from which Boot of the Beast would eventually take form. Even Deedes is forced to concede "I was not to know that such extravagance would contribute to Evelyn Waugh's portrait of William Boot in *Scoop*, the novel he later wrote about journalists covering the war."

The young Deedes finds Waugh a difficult character with a streak of irritability. But he seems genuinely affectionate towards Waugh. "He had a weakness for well-connected people, but unlike a lot of so-called snobs, he was adept at conversing with people of small impor-

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tance, though often baffling them with his brand of wit." Among the many insights in this memoir, Deedes finds that Waugh's outward disdain for journalists and journalism—which manifested itself in *Scoop*—may have actually sprung from a feeling of resentment, after his own brief and failed attempt at newspaper writing for the *Daily Mail*. Waugh, we learn, was actually not a bad journalist himself, displaying all the needed qualities of observation and attention to detail. But his time was split between writing for papers and gathering material for his books, under the contract deals he arranged to subsidize his living standard.

But while Waugh's *Scoop*, and its insights into journalism, can be seen as prescient, his wickedly dark view of the continent that inspired it can be seen in hindsight as even more foresighted. Africa has long been a place where the line between the sublime and the ridiculous is often blurred to the point of invisibility. As a correspondent there in the 1990s, I found myself often standing as witness to scenes that could have come directly from Waugh's satirical pen. His novel *Black Mischief*, written incredibly in 1932, could have easily been a parody of modern-day Africa's failed states and senseless, ongoing tribal conflicts. If anything, Waugh's hapless "Emperor Seth"—with his obsession with all things modern and European—might be considered an enlightened intellectual compared to some of today's African Big Men who have made such a mess of their own countries.

Consider: Waugh's fictitious Seth, ruler of Azania, issues decrees on a whim, depending on which book he most recently read. He orders that a museum be set up, because the country doesn't have one and needs a museum to be "modern." And he prints money bearing his own image, in top hat and tails, and keeps stacks of the stuff stashed in a cupboard. When Seth's exasperated white aide complains, the Emperor replies, "I assure you. It was easy. . . . [A]nd now that the plates have been made, it is quite inexpensive to print as many more as we require."

Now, consider that Waugh envisioned his fictitious Emperor Seth long before Zaire endured its late dictator, Mobutu Sese Seko, who similarly defied the laws of monetary policy—and the advice of World Bank experts—by printing his own currency bearing his likeness in his leopard-skin cap. Or before Ivory Coast's late strongman Felix Houphouet-Boigny wasted $200 million of his country's wealth building a massive Basilica, larger than St. Peter's in Rome, in the middle of the African bush at Yamousoukro. When I visited the costly monstrosity, I was startled to see that Houphouet-Boigny even managed to commission a painting of the Last Supper, with himself, the African Big Man, painted into the scene. Waugh himself couldn't have devised a more comical, or pathetic, scene.

Waugh's fictional Emperor Seth is kept in power by an army of barefoot cannibals, who are so primitive that, when a shipment of boots arrive, they have no idea what to do with them, so they eat them.

As a correspondent in real-life Liberia, I followed the exploits of General Butt Naked, commander of the Butt Naked Brigade, whose troops went into combat with just their AK-47 rifles and their birthday suits, believing they could ward off enemy bullets with their flesh. (I have been lately told that the General has since found his calling with the Lord, has become a minister and is now referred to as "Reverend Butt Naked", although this I have not been able to independently confirm.)

In Africa, truth is often stranger than fiction—life imitating art. In depicting the lunacy of the place, Waugh got it just about right. If anything, he toned it down.

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OF COURSE, in today's politically-correct world, Waugh might easily be dismissed as a racist, as a colonial-era imperialist who believed in European, that is, "white" superiority. And some of his descriptions and passages no doubt betray his less attractive instincts. For instance, he names the African wife of the European general "Black Bitch", and typically describes Africans in unflattering terms—like possessing a "soot black face" with "coal button eyes." In one jarring passage from *Black Mischief*, Waugh describes a scene of "a thousand darkies crooning and swaying on their haunches, white teeth flashing in the firelight." And the ending to *Black Mischief* has his hero Basil Seal at a tribal feast and mistakenly eating his one-time paramour, Prudence—the white man's worst fear of African cannibalism realized.

But dismissing Waugh simply as a racist would be, first, misguided. As Deedes, a Waugh fan and protégé, points out, the author did in fact have sympathies with the Italians as they prepared to invade Abyssinia, and perhaps this was due to Waugh's inherent belief that the white, Christian, European nation was on a "civilizing mission" in Africa. But as Deedes so succinctly puts it in his memoir, "A lifetime in journalism has taught me that people have to be judged in the context of their times, and that is what newspapers and television so often overlook."

More to the point, calling Waugh a racist would miss the brilliance of his satire. For, with all his unflattering depictions of Africa and the Africans, he is equally, if not more vicious, when he is pillorying the upper-crust British society, from the ineffectual Lord Courteney, head of the British legation, who is more concerned with his afternoon tea than the country going up in flames around him, to the doddering British ladies who come to Azania to save the animals and end up in the midst of a riot.

Some of Waugh's best jibes come from the mouths of his African characters commenting on the unsuspecting whites, like the following exchange from *Black Mischief*:

> "Which of the white ladies would you like to have?"
>
> "The fat one. But both are ugly."
>
> "Yes. It must be very sad for the English gentlemen to marry English ladies."

WAUGH WAS an irascible character in life who used biting satire to turn an unflattering mirror onto real-life scenes and society. The British upper-class, the journalism profession, the incompetent African Big Men running dysfunctional states—none of these escaped his finely-aimed pen.

Deedes, Waugh's contemporary and brief partner in the Abyssinian adventure, returned to the country, now called Ethiopia, in 2000, for the ceremonial burial of the Emperor Haile Selasse, upon whom, at least in part, Waugh's Emperor Seth seems to be based. Using a laptop computer, Deedes is able to send off 900 words of copy to London in the blink of an eye, and he quietly marvels at how much has changed in the intervening sixty-plus years since he and Waugh first met amidst the journalistic chaos that became the inspiration for *Scoop*.

For Waugh aficionados—and mainly for modern-day war reporters and anyone who follows the unfolding tragedy of Africa—the true marvel seems how much things stay the same. □

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Political Correctness *Or*, the perils of benevolence

Roger Kimball

All good people agree
And all good people say,
All nice people, like Us, are We
And every one else is They.
—Rudyard Kipling
"We and They"

THE TERM "political correctness" is such a familiar piece of moral shorthand that it is easy to forget that the phrase has been with us for only about a dozen years. "John or Mary or the University of Lagado is so PC"—it's never a compliment, but exactly what does the charge of political correctness imply? To a large extent, the familiarity of the phenomenon has bred, if not contempt, then at least an unhealthy indifference. Political correctness—the phrase and even more the idea—has had a curious and circuitous career, and the more we know about it the more distasteful and alarming it seems.

Indeed, we are often assured that political correctness—whether or not it posed a threat in the past—is no longer a menace. It has, the argument goes, either been defeated or simply faded away like a Cheshire cat with a scowl. Oddly, however, this soothing assurance generally comes from people who approve (or approved) of political correctness, so their relief at its disappearance is both disingenuous and unpersuasive. They succeed only in making one feel like the female water-skier on the poster for *Jaws II* who is unaware of the huge shark surfacing behind her over the words "Just when you thought it was safe to go back into the water."

Today, most of us tend to associate the phrase "political correctness" with the conservative assault on efforts to enforce speech codes, to promote affirmative action and to nurture other items high on the wish-list of multicultural aspiration. You know the menu. Page 1: Guns, no; school vouchers, no; patriotism, no; George W. Bush, capitalism, the United States, No, No, No. Even mention the war to depose Saddam Hussein and liberate the Iraqi people and you get the hysterical keenings of someone like Harold Pinter, Susan Sontag and Paul Krugman.

On the other side there's Brussels, Kyoto, Durban, Wounded Knee ... like Molly Bloom, the very place names tremble with an excited "Yes." All this is marvelous fodder for the conservative satirist. For example, Fox News regularly features "Tongue Tied", which their editors describe as "A column from the front lines of the wars over political correctness, free expression and culture." In England, *The Spectator* runs "Banned Wagon", a weekly column devoted to exposing "restrictions on freedom and free trade." Other repositories of anecdote, analysis and anathema are legion. Ridicule of the ridiculous is the order of the day.

Indeed, the fact that criticism of political correctness occupies an important place in the armory of conservative

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polemic is one reason we are regularly encouraged to ignore it.

This effort takes a couple of forms. First, there is bald denial. We are told that really, at bottom, there is no such thing as political correctness: it is all an invention of, well, people like me: right-wing fanatics bent on turning back the clock of progress. This is the position of the politically-correct John K. Wilson, whose book, *The Myth of Political Correctness*, is still a standard for the PC crowd. The author's goal throughout its pages is to relegate the fact of political correctness to the realm of dragons, hippogriffs and Republican nightmares.

Second, there is the reliable "Yes, but ..." rejoinder. This comes in two basic versions, deflationary and defiant. The deflationary position says "Okay , political correctness does exist, but it is harmless, hardly more than an effort to avoid offending people: critics have exaggerated both the extent and the gravity of political correctness."

The defiant alternative, on the other hand, says "Yes, political correctness exists and is widespread, and thank God for that: it is not a bane but a boon: it just shows how enlightened attitudes about race-gender-class-ethnic-sensitivity-peace-homosexuality-the-environment-and-mustn't-forget-the-plight-of-foxes are spreading." Perhaps this is what Martin Amis meant when, writing in *The New Yorker* on July 12, 1993, he suggested that "at its grandest" political correctness is "an attempt to accelerate evolution."

In any event, because we tend to associate political correctness with attacks upon political correctness, it is worth noting that the epithet seems to have originated not with conservative commentators but with impatient college students in the late-1980s and early-1990s. "Politically correct" described the self-righteous, non-smoking, ecologically sensitive, vegetarian, feminist, non-racist, multicultural, Birkenstock-wearing, anti-capitalist beneficiaries of capitalism—faculty as well as students—who paraded their outworn 1960s radicalism in the classroom and in their social life. Mostly, it was a joke. Who could take these people seriously? It was also overwhelmingly an academic phenomenon, a species of rhetoric and behavior that flourished chiefly in and around the protected redoubts of the university. Thus it is that the acronym "PC" first won widespread notice in a student cartoon strip out of Brown University, an institution still distinguished for its abundant display of political correctness, if little else.

Of course, the roots of political correctness go back a long way. To some extent, I suppose, political correctness can be seen as part of the perennial human attraction to moral conformity, to be part of what the American art critic Harold Rosenberg memorably called the "herd of independent minds."

Political correctness can also be enlisted in what Alexis de Tocqueville, in his *Democracy in America*, called "democratic despotism." In pre-democratic societies, Tocqueville noted, despotism tyrannized. In modern democracies, it infantilizes. Democratic despotism is both "more extensive and more mild" than its precursors: it "degrades men without tormenting them." In this sense, Tocqueville continued, "the species of oppression by which democratic nations are menaced is unlike anything that ever before existed in the world."

Tocqueville's analysis, although written in the 1830s, seems remarkably contemporary. Let me quote a few sentences. The force of democratic despotism, Tocqueville wrote, would

> be like the authority of a parent if, like that authority, its object was to prepare men for manhood; but it seeks, on the contrary, to keep them in perpetual childhood. . . . [I]t every day renders the exercise of the free agency of man less useful and less frequent; it

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> circumscribes the will within a narrower range and gradually robs a man of all the uses of himself. . . . [T]he supreme power then extends its arm over the whole community. It covers the surface of society with a network of small complicated rules, minute and uniform, through which the most original minds and the most energetic characters cannot penetrate, to rise above the crowd. The will of man is not shattered, but softened, bent, and guided. . . . Such a power does not destroy, . . . but it enervates, extinguishes, and stupefies a people, till each nation is reduced to nothing better than a flock of timid and industrious animals, of which the government is the shepherd.

Thus Tocqueville, who might have been writing about the latest initiative from the European Union.

Yet the impulse to conformity and democratic despotism are only part of the story. We come closer to the heart of political correctness—to the reality if not the phrase—with figures like Robespierre and St. Just. They and their comrades sought to bring post-Revolutionary France into line with what they called "virtue", the heady feeling that one was in the vanguard of enlightenment, an angel of truth, a beacon of uncommon wisdom.

It was—it is—a daring as well as an intoxicating vocation. In *The Social Contract*, Jean-Jacques Rousseau had warned that "Those who dare to undertake the institution of a people must feel themselves capable . . . of changing human nature, . . . of altering the constitution of man for the purpose of strengthening it." Robespierre & Co. thought themselves just the chaps for the job. The fact that they measured the extent of their success by the frequency that the guillotines around Paris operated highlights the connection between the imperatives of political correctness and tyranny—between what Robespierre candidly described as "virtue and its emanation, terror."

Nearer our own time, Chairman Mao, with his sundry campaigns to "re-educate" and raise the consciousness of a recalcitrant populace, offers a classic example of political correctness in action. Add to those efforts the linguistic innovations that George Orwell described in the Afterword to *1984* as "Newspeak" and you have limned the basic features of political correctness. The purpose of Newspeak, Orwell wrote, was to make "a heretical thought . . . literally unthinkable, at least so far as thought is dependent on words."

> The word *free* still existed in Newspeak, but it could only be used in such statements as "this dog is free from lice" or "This field is free from weeds." It could not be used in its old sense of "politically free" or "intellectually free", since political and intellectual freedom no longer existed even as concepts, and were therefore of necessity nameless.

Just so, the politically correct of our own day seek to bring about a moral revolution by changing the way we speak and write about the world: a change of heart instigated and embodied by a change of language. Examples are legion. We are told to scrap the phrase "learning disabilities" and replace it with "learning differences." The announced hope is that little Johnny, who is a bit backward, poor thing, will not feel stigmatized; the secret hope is that by refusing to speak the truth, we can change the truth. The BBC tells its employees that they must use the word "partner" when referring to their wife or husband, since using "wife" and "husband" might seem to imply that the married state was somehow preferable to other possible modes of sexual cohabitation. Major newspapers in the United States refuse to accept advertisements for houses to let that mention that their property has "good views" (unfair to the blind), is "walking distance" to the train (unfair to the lame), is on a "quiet street"

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(unfair to the deaf). I know it sounds mad. It *is* mad. Nevertheless, it is true.

But to return to the sources of political correctness: Robespierre, Mao, *1984*—what a grisly confraternity. Is it too grisly? In some ways. It does not seem *quite* right to describe Robespierre as "PC." Or does it? How about Mao? Or Orwell's enforcer O'Brien? Were such sinister figures "PC" within the usual meaning of the term? Not quite, perhaps; and yet, almost. Certainly they represent one important strand of the phenomenon: the moralizing, virtue-intoxicated side—bolstered, as many garden-variety PC-ers are not, with abundant means to impose their will on others. The dissonance we feel about describing such figures as PC is matched, I believe, by the eerie sense that they are, after all the qualifications, defining examples of the species.

Nevertheless, it seems a long way from Robespierre or Mao to what we mean by political correctness. Today, the phrase "political correctness" is generally accompanied by a smile—an uneasy smile, but a smile nonetheless. The phrase describes some exaggerated bit of left-wing moralism—so exaggerated that it is hard to take seriously. We smile when we read about an elite American college that has enrolled the sin of "lookism"—the unacceptable belief that some people are more attractive than others—into its catalogue of punishable offenses. We laugh when hearing that a British academic has condemned Frosty the Snowman as a white "male icon" that helps "to substantiate an ideology upholding a gendered spatial/social system." We scoff when we hear about the University of Michigan professor who complains that J. K. Rowling's Harry Potter books "conventionally repeat much of the same sexist and white patriarchal biases of classical fairy tales." We smile, we laugh, we scoff. But most of us do so uneasily.

Why the uneasiness? There are several reasons. In the first place we know that such strictures, though preposterous, are not without consequence. Indeed, the phenomenon of political correctness is a great teacher of the often overlooked lesson that the preposterous and the malign can cohabit happily.

There is also the fact that the odor of malignity, of thuggishness, is never far from the lairs of political correctness. The student accused of lookism can be severely penalized for the offense, as can the student accused of racism, "homophobia", or "mis-directed laughter." In some cases, the academic thought police even attempt to regulate what is *not* said, as when an editor of a student newspaper was removed from his post because he had given "insufficient coverage" to minority events. We laugh when we read about poor Frosty, but the laughter dies when we consider that the professor who would have us melt Frosty is also someone responsible for the education of students. It is amusingly ludicrous to burden Mrs. Rowling's entertainments with feminist rhetoric, but then we remember that books can be banned or slighted for less.

PC's Allergy to Humor

MILAN Kundera's novel *The Joke* traces the fortunes and amours of a young student, Ludvik, after his exasperatingly earnest girlfriend decides to show the authorities a postcard he had written to her as a joke: "Optimism is the opium of the people! A healthy atmosphere stinks of stupidity! Long live Trotsky!"

As a result of this whimsy, Ludvik finds himself expelled from the Communist Party and the university and is eventually conscripted to work in the mines for several years. Among other things, Kundera dramatizes the dynamics of political correctness. He is especially good at portraying one of its signal features, humorlessness. One of the points of *The Joke* is that totalitarian societies

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cannot abide a joke; humor is anathema; political correctness is a kind of geiger counter that registers deviations from the norm of earnestness. Any deviation is suspect, any humorous deviation is culpable.

The allergy to humor that is integral to political correctness is one reason the art of parody has suffered in recent years. Then, too, a parodist, to be successful, must be able to count on his audience's ability to distinguish clearly between the parody and the reality being spoofed. The triumph of political correctness has long since blurred that distinction. Whose ideological antennae are sensitive enough to register accurately the shifting claims of victimhood and entitlement? A mayoral aide in Washington, DC, uses the word "niggardly" in conversation with a black colleague; the colleague takes offense because he thinks "niggardly" is racist; the aide promptly offers his resignation, which is accepted. True? Or parodic exaggeration? True, all too true.

What Kundera gives us is a fiction about—at least in part about—political correctness. But documentary evidence is also near at hand. One can consult Solzhenitsyn, for example, or study the pronouncements of British think tanks like the Runnymede Trust, whose 400-page report on "The Future of Multi-Ethnic Britain" a couple of years ago contained the surprising news that the word "British" has "racist connotations." Even worse, it turned out, is the word "English." "To be English", the report informed us, "is to be white. Britishness is not ideal, but at least it appears acceptable when suitably qualified, such as Black British, Indian British, British Muslim and so on." The report continued with this alarming announcement:

> Britishness, as much as Englishness, has systematic, largely unspoken, racist connotations. Whiteness nowhere features as an explicit condition of being British, but it is widely understood that Englishness is racially coded. The unstated assumption is that Britishness and whiteness go together like roast beef and Yorkshire pudding. There has been no collective working through of the imperial experience.
>
> The absence from the national curriculum of a rewritten history of Britain as an imperial force, involving dominance in Ireland, Africa, the Caribbean and Asia, is proving to be an unmitigated disaster.

Note that phrase "rewritten history." If the people who gave us the Runnymede Trust report have their way, history will be subject to a lot of rewriting. Among the many recommendations made by "The Future of Multi-Ethnic Britain" was the demand that British history be "revised, rethought or jettisoned" in order to meet the requirements of "inclusivity." The report makes many other recommendations—it calls, for example, for race equality and "cultural diversity" inspections in schools, and suggests that television franchise holders be required to appoint a specified number of Black and Asian staff.

Such examples multiply themselves a hundred-fold with the greatest of ease.

Item: A school board in San Francisco seeks to require that 70 percent of school reading be books by "authors of color." One board member explained: "Mark Twain's *Huckleberry Finn*, for instance, has a bias against African-Americans. And Chaucer's *Canterbury Tales*, while a great work, has an economic bias. It characterizes people based on their class."

Item: A mid-level executive at a large bank is overheard wishing a colleague "Merry Christmas." Her superior takes her aside and gravely tells her that such language might be construed as offensive and warns her against indulging in such public displays of religious sentiment.

Item: A doctor I know at Good

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Samaritan Hospital outside Chicago writes a letter to the hospital's "Cultural Diversity Team." He points out that their Diwali Festival celebrating Hindu culture neglected to mention the appalling abuse of women that is a prominent feature of that culture. A firestorm erupts. The president of the medical staff informs the letter writer that "many individuals reading your words . . . have found them disturbing, insulting, and ... elitist" and warns further that "continued correspondence in the same vein . . . will be viewed as harassment and contributing to a hostile workplace environment." In other words, cut it out or get out—which is not, incidentally, a bad characterization of the PC understanding of dialogue.

On an even more ominous front we have the activities of the European Union, that bastion of political correctness, whose tax-exempt ministers are appointed, not elected, who seem to be accountable only to themselves, who meet in secret and issue binding diktats that affect the daily lives of people all over Europe. It is nice work if you can get it.

A few years ago, the EU made it illegal for journalists to criticize its policies. Last year, it decided that racism and xenophobia were crimes that could carry a prison sentence of two or more years. "Racism" and "xenophobia" they defined as harboring an aversion to people based on "race, colour, descent, religion or belief, national or ethnic origin." I do not love thee, Dr. Fell, the reason why I cannot tell—but it is certainly not because of your race, nationality, skin color, religious beliefs, sexual preferences, or any physical or mental disabilities—sorry, differences—from which you may suffer.

As these examples suggest, contemporary political correctness, though it may have originated and matured in the academy, is not only an academic product. It thrives in the academy, true, as bacteria thrives in rotting flesh. But political correctness has metastasized. It now thrives outside academia wherever a certain type of intellectual congregates: In the corridors of the European Union, for example, or in anxious bureaucracies like Oxbridge, the BBC and the United Nations.

I hasten to add that by "intellectual", I do not mean "bookish"; I do not mean "intelligent." I mean characterized by a certain lofty moralism—smug, progressive, abstract, activist. Writing in the June 2003 issue of *The New Criterion*, the political philosopher Kenneth Minogue anatomized this attitude as a form of "Olympianism." "There is", Minogue wrote,

> a dire purposiveness about the Olympian passion for signing up to treaties and handing power over to international bureaucrats who want to rule the world. Everything down to the details of family life and the modes of education are governed and guided so as to fit into the rising project of a world government. The independence of universities in choosing who to admit, of firms choosing whom to employ, of citizens to say and think what they like has all been subject to regulation in the name of harmony between nations and peace between religions. The playfulness and creativity of Western societies is under threat. So too is their identity and freedom.

The intrusiveness that Minogue describes is an expression of what is perhaps the most stultifying characteristic of political correctness: its addiction to displays of benevolence, to the emotion of virtue. When the Harvard professor Barbara Johnson justified the suppression of conservative points of view on campus with the argument that "professors should have less freedom of expression than writers and artists, because professors are supposed to be creating a better world", she provided a good example of how the imperatives of political correctness are at odds with the principles of open debate. Or consider the case of Peter Kirstein, who until recently was an obscure profes-

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sor of history at Xavier University in Cincinnati. Professor Kirstein was one of many who received a form-letter email from a cadet at the U.S. Air Force Academy soliciting advice about an upcoming conference. Kirstein's reply catapulted him to temporary notoriety: "You are a disgrace to this country and I am furious you would even think I would support you and your aggressive baby killing tactics of collateral damage." Kirstein went on to excoriate the United States Air Force for imperialism, cowardice and bringing "death and destruction" to "non-white peoples throughout the world."

What is interesting is not so much Kirstein's loathsome little missive, which was hardly more than an off-the-shelf specimen of politically-correct academic rancor, but the self-infatuated conviction of virtue that informs it. On his website, Professor Kirstein lists the twelve points of his "teaching philosophy." It includes helpful items such as "Teach peace, freedom, diversity, multiculturalism and challenge American unilateralism." But the most telling of his twelve points is the first, which he prints in bold face: "Teaching is a moral act."

Now, there is undoubtedly a sense in which teaching *is* a moral act. But its morality is like happiness according to Aristotle: it is achieved not directly but indirectly through the responsible engagement with the tasks at hand. Indirection—moral subtlety, an appreciation of human imperfection—are resources deliberately slighted by the politically correct. In their pursuit of a better, more enlightened world, PC types let an abstract moralism triumph over realism, benevolence over prudence, earnest humorlessness over patience.

As has often been noted, an absolute commitment to benevolence, like the road that is paved with good intentions, typically leads to an unprofitable destination. In *Physics and Politics*, Walter Bagehot summed up the point when he observed that

> The most melancholy of human reflections, perhaps, is that, on the whole, it is a question whether the benevolence of mankind does most good or harm. Great good, no doubt, philanthropy does, but then it also does great evil. It augments so much vice, it multiplies so much suffering, it brings to life such great populations to suffer and to be vicious, that it is open to argument whether it be or be not an evil to the world, and this is entirely because excellent people fancy they can do much by rapid action—that they will most benefit the world when they most relieve their own feelings.

Bagehot wrote in the 1870s. His words are if anything more pertinent now.

Benevolence is a curious creature. Its operation tends to be more beneficent the more specific it is. This was a point that James Fitzjames Stephen, the great 19th-century critic of John Stuart Mill, made in his book *Liberty, Equality, Fraternity*:

> The man who works from himself outwards, whose conduct is governed by ordinary motives, and who acts with a view to his own advantage and the advantage of those who are connected with himself in definite, assignable ways, produces in the ordinary course of things much more happiness to others . . . than a moral Don Quixote who is always liable to sacrifice himself and his neighbors. On the other hand, a man who has a disinterested love of the human race—that is to say, who has got a fixed idea about some way of providing for the management of the concerns of mankind—is an unaccountable person . . . who is capable of making his love for men in general the ground of all sorts of violence against men in particular.

Political correctness tends to breed the sort of unaccountability that Stephen warns against. At its center is a union of

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abstract benevolence, which takes mankind as a whole for its object, with rigid moralism. This is a toxic, misery-producing brew. In *On Enlightenment*, the Australian philosopher David Stove got to the heart of the problem when he pointed out that it is precisely this combination of universal benevolence fired by uncompromising moralism that underwrites the cult of political correctness. "Either element on its own", Stove observed,

> is almost always comparatively harmless. A person who is convinced that he has a moral obligation to be benevolent, but who in fact ranks morality below fame (say), or ease; or again, a person who puts morality first, but is also convinced that the supreme moral obligation is, not to be benevolent, but to be holy (say), or wise, or creative: either of these people might turn out to be a scourge of his fellow humans, though in most cases he will not. But even at the worst, the misery which such a person causes will fall incomparably short of the misery caused by Lenin, or Stalin, or Mao, or Ho Chi Minh, or Kim Il-sung, or Pol Pot, or Castro: persons convinced both of the supremacy of benevolence among moral obligations, and of the supremacy of morality among all things. It is this combination which is infallibly and enormously destructive of human happiness.

Of course, as Stove goes on to note, this "lethal combination" is by no means peculiar to communists. It provides the emotional fuel for utopians from Robespierre to the politically-correct bureaucrats who preside over more and more of life in Western societies today. They mean well. They seek to boost all mankind up to their own plane of enlightenment. Inequality outrages their sense of justice. They regard conventional habits of behavior as so many obstacles to be overcome on the path to perfection. They see tradition as the enemy of innovation, which they embrace as a lifeline to moral progress. They cannot encounter a wrong without seeking to right it. The idea that some evils may be ineradicable is anathema to them. Likewise the notion that the best is the enemy of the good, that many choices are to some extent choices among evils—such proverbial, conservative wisdom outrages their sense of moral perfectibility.

ALAS, THE result is not paradise but a campaign to legislate virtue, to curtail eccentricity, to smother individuality, to barter truth for the current moral or political enthusiasm. For centuries, political philosophers have understood that the lust for equality is the enemy of freedom. That species of benevolence underwrote the tragedy of communist tyranny. The rise of political correctness has redistributed that lust over a new roster of issues: not the proletariat, but the environment, not the struggling masses, but "reproductive freedom", gay rights, the welfare state, the Third World, diversity training, and an end to racism and xenophobia. It looks, in Marx's famous mot, like history repeating itself not as tragedy but as farce.

It would be a rash man, however, who made no provision for a reprise of tragedy. □

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Letters

More Latin, Less America

I was delighted to see such significant treatment given by *The National Interest* to the Free Trade Area of the Americas (Fall 2003). Even so, the article is still problematic.

President Clinton first mooted the idea of a hemispheric trade area at the 1994 Summit of the Americas in Miami. From the U.S. perspective, an FTAA was a logical extension of the first Bush Administration's Enterprise for the Americas Initiative, a strategic response to European integration. It was also the only way to get regional leaders to adopt a Summit agenda that addressed fundamentally domestic matters like anti-corruption and education, formerly off limits for outside discussion. Together, Summit provisions on trade and investment, financial cooperation, education, energy, healthcare and the like contributed to a comprehensive development initiative for the region unlike any previously undertaken because it largely focused on mutual responsibilities based on shared values and interests.

Negotiations for the FTAA were formally begun at the Santiago Summit in 1998. The Québec City Summit that the current President attended reaffirmed the negotiations and clarified the date for their anticipated conclusion. (Two points to note: the free movement of labor has never been part of discussions, and the Bush Administration has not wavered from its view that agricultural subsidies should be addressed at the WTO, not the FTAA.)

As before, the United States remains the driving force behind the trade agenda. True, negotiations lacked momentum before Congress granted the President fast track trade negotiation authority, but since then the United States has concluded an agreement with Chile and launched negotiations with Central America and, soon, the Dominican Republic. Additional negotiations with Colombia and others are under active consideration. FTAA remains the ultimate goal. Talks remain ongoing—they have never been suspended—but Brazil's efforts to reduce the scope of negotiations has called into question the ability to conclude an agreement on the predetermined timeline, even as the hemisphere gathers at the November ministerial in Miami.

The broadest possible agreement, coupled with the rest of the Summit of the Americas agenda, will have the greatest development impact in the region. Agricultural subsidies should be addressed by the United States and its hemispheric neighbors acting in concert with Europe's Common Agricultural Policy. Similarly, steel tariffs should be lifted unilaterally, but Latin America, too, should look to move ahead with its reform process, like Chile, without waiting for a hemispheric trade agreement that may or may not arrive.

In addition, it is difficult to see why the United States should agree to Brazil's proposal to scale back the FTAA. There are plenty of willing trade partners in the hemisphere, and, if they are committed to the latest generation of trade disciplines, we should not hesitate to move ahead with them, while keeping the door open for full and constructive Brazilian participation in the ultimate agreement. FTAA, after all, is not a core-periphery issue. Rather, it is one part, albeit an important one, of a mutually-reinforcing regional development strategy. Anything less does a

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disservice to the people of Latin America, the Caribbean and the United States.

ERIC FARNSWORTH
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Washington, DC

Taking Stock

Dennis Ross is at some pains to scan the present Arab-Israeli situation without squarely confronting some hard truths (Fall 2003). It is a somewhat empty truism to say that no peace process will succeed without the Arabs. Ross's heavily clouded argument seems to be that we must be nicer to the Arabs and a little less forthcoming in our support of Israel. Probably fortunately, there is no peace process in this area and none is likely. In any case, as in Ulster, the term "peace process" has become an unconvincing euphemism for appeasing terrorists.

The opposition of the Middle Eastern Muslim world to the existence of Israel remains as absolute and bitter as it has been since the 1940s. This is true both among the ruling elites and at a popular level. The "polls" cited by Ross do not have the meaning and political weight in a society ruled by corrupt and violent tyrants that they have in democratic societies like ours. It serves no purpose but that of the terrorists to pretend that they do. And so does the extraordinary willingness of Westerners to swallow whole the English-language pronouncements from the PLO and others that are the polar opposite of what they say to their Arab constituents.

There is absolutely no chance, none at all, that the Palestinian "authorities", under Arafat or anyone else, are going to confront any of the terrorist groups dedicated to destroying Israel. Indeed, the Fatah website shows that the PLO itself still shares that commitment.

There are in this world, alas, conflicts of a kind that are not resolved. They are dissolved in blood, with one side winning and one side losing. Anyone who has (as I have) spent time in the Muslim world knows that the Arab-Israeli clash is just such a conflict. The terrorists will continue, mercilessly and obstinately, until they are destroyed or irredeemably crippled by superior force. To pretend, as Ross appears to do, that they and their supporters (principally Syria and Iran, with plenty of money still coming from Saudi Arabia) are susceptible to diplomatic coaxing and coddling about where their best interests lay, is Pollyanna pretense of the worst (that is, lethal) sort.

I know, of course, that there are those on the Israeli Left who also buy this diplomatic snake oil. They evoke the joke told by prisoners at Auschwitz: Two Jews are being herded toward the gas chambers by a brutal Nazi guard. The first Jew whispers to his friend "Let's grab his gun and fight back. What can we lose?" The second Jew seizes his friend's arm and pleads: "Please! Don't make trouble!"

To his credit, President Bush has shown less willingness than Clinton to play the part of the Second Jew. This is unfortunately not the case with Europe, where the anti-Israeli tenor of the press and media is all too obvious. One suspects, now and again, that certain powers on the continent would not be upset to see the extinction of Israel, a country that remains a reminder of certain things they would prefer to forget.

Until the war against the Middle Eastern terrorists is fought (as viciously as necessary) and won, chimerical formulas like the "peace process", the "roadmap" and other *bien-pensant* dodges, while conveniently face-saving for some governments, will almost certainly do more to prolong that war than win it.

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Realism

It's High-minded ... and It Works

Dimitri K. Simes

THE REALIST approach to foreign policy—to which *The National Interest* is largely but by no means exclusively devoted—has always met with a certain suspicion in the United States; it is variously viewed as too cynical, too European, and too dismissive of America's unique mission in the world. Nevertheless, the importance of realism to advancing and defending American interests and values may never have been greater.

During the bad old days of the Cold War, the structure of the international system imposed a measure of reality on both American leaders and the American people. The United States had a clear foreign policy priority—to contain and, when possible, to defeat the Soviet empire—and it also had clear limits, in that few U.S. objectives justified risking nuclear Armageddon. Thus, notwithstanding the frequent use of the rhetoric of liberation, Americans understood why Harry Truman did not attempt to achieve total victory in Korea (where a land war with China was also feared), why Dwight Eisenhower refused to help rebellious Hungarians fight Soviet tanks and why John F. Kennedy supported the continued independence of West Berlin but did not attempt to destroy the Berlin Wall—or why he demanded the withdrawal of Soviet missiles from Cuba but was unwilling to act directly to remove Fidel Castro from power.

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But when the collapse of the Soviet Union left the United States as the world's sole superpower—and a victorious superpower at that—it became almost the conventional wisdom to dismiss foreign policy realism as "old-think" or as a deplorable and defeatist worldview that did not adequately incorporate America's unquestioned supremacy. Many now felt that the Cold War handcuffs on America's freedom of action had been removed and that it was time to unleash American power on the world. Barry Goldwater's 1964 statement that "extremism in the defense of liberty is no vice" increasingly seemed to shape Americans' views of the world on both ends of the political spectrum.

But extremism in the defense of liberty, or anything else, is still extremism. In the words of the 20th-century Russian dissident philosopher Grigory Pomerants, "the devil begins with froth on the lips of an angel entering into battle for a holy and just cause." Those who are obsessed with the nobility of their own views have a tendency to dismiss the views of others and to allow their ends to justify their means. They also do not always recognize the full costs of their actions, which can be significant even for a country with America's unparalleled military, political, economic and cultural power.

Though realists are by no means monolithic in their approach to America's contemporary foreign policy challenges, most realists are skeptical of radical utopias

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(as noble as they may sound). Similarly, they generally view faith as a source of insight, strength and conviction rather than a guide to specific policy. Yet, high-minded realism does not differ from the Boy Scouts of the Left or the crusaders of the Right in the belief that the United States should do good at home and abroad whenever possible. Nor are most realists, at least the conservative realists, timid about using U.S. military power to accomplish American foreign policy objectives—or about using that power pre-emptively if necessary.

What is different about realists is their tendency to insist that U.S. foreign policy be based on a hierarchy of American priorities rather than a long and therefore meaningless laundry list incorporating objectives, preferences and hopes. And realists generally believe that, in the long run, the laws of history work against the indefinite and easy predominance of a single power—particularly if this power desires not only to pursue its political and economic interests, but also to exert hegemonic influence over the destinies of other states (which naturally do not uniformly react warmly to this notion).

AMERICA'S priorities in the short and, likely, the medium term are combating terrorism and limiting the proliferation of weapons of mass destruction, especially nuclear weapons. These are the threats that affect America's core interests, above all its survival as a liberal and prosperous nation. How other states fit into U.S. efforts to deal with these priorities should be the principal determinant of American relations with them absent truly genocidal practices.

The challenges facing American foreign policy begin with managing our relations with the Muslim world so as to destroy anti-American terrorist networks and their sanctuaries while avoiding a clash of civilizations and promoting long-term stability. This requires the ruthless and relentless pursuit of those who have made themselves America's mortal enemies. However, it also requires recognition that U.S. handling of the Palestinian issue is a litmus test of American intentions for most governments of predominantly Muslim states—not to mention their publics. It also involves careful and informed thinking about how many of these governments the United States can afford to attack, even if they have been misbehaving like Iran and Syria, before the threats we are removing no longer outweigh the backlash that could result in the Islamic world.

At the same time, America must deal with a resurgent Russia and China; strengthen and transform the foundations of its relationships with traditional but disgruntled allies such as Germany, France, Japan and South Korea; and deal with emerging powers like India, which are bound to ask for greater international roles.

This calls for both focus and flexibility. The United States needs to adopt policies that support our interests and not confine itself with ideological straightjackets. Certainly, many Americans do not approve of various developments occurring among our partners. They are concerned by authoritarian trends in Vladimir Putin's Russia, by Communist Party controls in China, by French insolence in resisting American leadership and by South Korean ingratitude. Realists value the freedom of individual Americans and their elected representatives to express their opinions about the conduct of foreign governments. But they also tend—more than some others—to appreciate the differences between editorial commentary and foreign policy.

Every American administration faces pressure to act as if the United States were responsible for the affairs of others. Realists often argue that succumbing to this pressure is both arrogant and dangerous. It is arrogant because it presumes that we always understand the circumstances of others and are well equipped to offer indispensable guidance on how they should conduct their affairs. Cicero offered useful counsel along

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these lines to Roman leaders, urging that they "do not recklessly and presumptuously assume something to be true" when they do not know it to be so with certainty.

Iraq is a case in point. Despite constant attention to Iraq for over a decade, the United States has experienced regular surprises there—most recently the level of opposition to the American occupation among Iraqis and the speed, extent and sophistication of foreign terrorist infiltration of the country. This suggests that greater humility may be in order in making judgments about what is happening in other countries to which we have paid less attention, and in deciding what is "right" for them (not to mention our judgments about the costs of making it happen).

The pressure to assume responsibility for others is also dangerous. While removing Saddam Hussein from power was not immediately necessary, the war was on balance a correct response to an untenable no-war, no-peace situation. Still, the temptation to transform Iraq into a successful democracy implies an American commitment that could overwhelm our ability to pay attention to other challenges, strain our resources and undermine other U.S. objectives. For example, the United States is hardly in a position to apply credible military pressure on North Korea while it is preoccupied militarily, financially and politically with Iraq. This leads to a situation in which America is very specific about what it is unwilling to accept from Pyongyang but rather vague about the consequences of defiance. Kim Jong-il may be more irritated than intimidated and other nations may feel that disciplining his regime has little urgency.

BECAUSE doing what is right in international politics often comes at a high price, as it is in Iraq, realists tend to insist not only that proposed actions be sound on their merits, but also that their benefits outweigh their costs, including potential unintended consequences. The Clinton Administration's "optional war" to liberate Kosovo is a dramatic illustration. Realists do not dispute Serbian brutality, the contribution of NATO's victory to Slobodan Milosevic's electoral defeat or the benefits to Serbs and their neighbors of this villain's removal. Still, the Clinton team undermined the moral clarity of the effort by failing to level with the American people about its pre-war ultimatum to Serbia to allow free access for NATO troops throughout Serbia, something that few sovereign states would be expected to accept without offering armed resistance—and something that Milosevic was not actually forced to accept even after weeks of NATO air strikes. General Wesley Clark's increasing insistence on attacking civilian infrastructure targets, like bridges, was also problematic, especially in light of the comparatively limited destruction of infrastructure during the current administration's much more essential war in Iraq. Finally, the inaction of NATO forces in the face of massive ethnic cleansing of Kosovo's Serbs by the victorious Albanians—often led by Kosovo Liberation Army (KLA) thugs—raises serious questions. Some U.S. officials had accused the KLA of committing terrorist acts before it was recast as the Clinton Administration's proxy.

Still, these contradictions were not the main deficiency of the Clinton Administration's *moralpolitik*. In fact, perhaps the most significant damage done by the pursuit of the war against Serbia was done to what should be any American administration's number one responsibility: the security and well-being of the people of the United States. The war over Kosovo happened after the 1993 World Trade Center bombing, after the 1996 Khobar Towers bombing in Saudi Arabia and after the 1998 bombing of the U.S. embassies in Kenya and Tanzania. It was becoming more and more apparent that Al-Qaeda—protected by Afghanistan's Taliban regime—was a direct threat to the United States and its people.

Yet, Al-Qaeda's efforts were not direct-

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ed solely against the United States, and others were concerned about the Taliban. The Russian government viewed Al-Qaeda and the Taliban as a source of considerable instability in Central Asia and as a direct danger to Russia due to the terror network's involvement in the war in Chechnya—something dismissed by the Clinton-era officials but now acknowledged by the Bush Administration. As a result, Russia was the principal supporter of the anti-Taliban Northern Alliance.

In fact, Russia was prepared to go considerably further in combating the Taliban and sought cooperation from the Clinton Administration toward that end. One of the first planned Russian overtures on this topic unraveled when then-Prime Minister Yevgeny Primakov ordered his plane to return to Moscow in mid-air after NATO began air strikes against Serbia in early-1999. Even modest intelligence-sharing became difficult in the immediate aftermath of the Russian-American estrangement triggered by Kosovo.

Still, because Moscow was deeply concerned by the problem and saw common interests, Prime Minister Vladimir Putin approached the Clinton Administration with a proposal for joint action. In an interview shortly after September 11, Putin said, "I talked with the previous administration and pointed out the bin Laden issue to them. I was surprised by their reaction. They wrung their hands so helplessly and said: 'the Taliban are not turning him over, what can one do?'" In fact, the Clinton team was bitter over the differences exposed by Kosovo and reluctant to "legitimize" Russia's second intervention in Chechnya—which followed the invasion of neighboring Dagestan by Chechen militants—or to strengthen Russian influence in Central Asia (though this very influence allowed Russia to assist the Northern Alliance and could have made it a valuable partner).

Even after the 2000 bombing of the U.S.S. Cole, the Clinton Administration was not interested in pursuing the Russian proposal. Putin acknowledged in an interview with Barbara Walters that he did not "know whether it would have been possible to prevent these strikes on the United States by the terrorists", but added that "at that time, we certainly were counting on more active cooperation in combating international terrorism." The fact that this option was not even pursued due to American preoccupation with peripheral concerns is impossible to justify either morally or strategically.

REALISTS generally have few illusions about American partners like China and Russia. Both countries remain somewhere between being friends and rivals, and realists do not want to encourage either to become involved in coalitions against the United States that neither would welcome but each could enter under certain circumstances.

More specifically, most realists are well aware that China remains a one-party state with limited freedom of expression. Nevertheless, realists generally also appreciate that China has made remarkable progress in expanding both its citizens' well-being and their ability to control their lives. Realists further appreciate that China's influence in Asia is growing, particularly under Beijing's pragmatic new leadership, and that constructive relations with it are essential both to maintaining America's presence in the region without unnecessary conflict and to addressing the challenges of terrorism and proliferation, most notably in dealing with North Korea's attempted nuclear blackmail.

Accordingly, realists from Richard Nixon onward have been inclined to believe that the U.S. should maintain its commitment to Taiwan's security without allowing Taiwan to define America's relations with the PRC. Democratic Taiwan has a legitimate right to decide whether it wants to be fully independent from China. That right, however, can be exercised unilaterally only to the extent that Taipei can afford to make

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the decision on its own, without involving the United States in a conflict with the most populous nation on earth (and a growing economy) that few other U.S. allies in the region would welcome. At that price, formal rather than *de facto* sovereignty is a luxury.

With regard to Russia, there is no need to overstate President Putin's commitment to democracy as President Bush did recently at Camp David. Actually, to Putin's credit, he is prepared to acknowledge that today's Russia does not have a truly independent judiciary, a free press or political checks and balances. The selective use of law enforcement against oligarchs like Mikhail Khodorkovsky demonstrates the current limits of Russian democracy. Still, realists typically understand the complexity of Russia's situation and believe that no self-respecting state can allow politically ambitious tycoons to privatize political power the way Russia's oligarchs privatized the country's resources and enterprises under Yeltsin.

Similarly, America has an interest in protecting the newly independent states against Russian bullying. However, as with everything in life, too much of a good thing can also be a problem. As Richard Nixon wrote in his last book, *Beyond Peace*,

> we should be realistic about our limited leverage in Russia's backyard and should avoid creating the impression that the United States wants to proceed with a new encirclement of Russia. It would be contrary to our interests to give Moscow the impression that we are prepared to help only as long as Russia remains on its knees.

If we want Russian help dealing with Iraq, Iran, North Korea and other issues affecting vital American interests, we must ask ourselves what perverse logic would lead one to believe that America can treat Putin as an opponent and work to preclude Russia from playing a role in its own neighborhood while expecting the Kremlin to accommodate American priorities. Moscow's current rulers are obviously not quite so altruistic.

Very few realists are opposed to the idea that morality should be an important component of foreign policy, but most believe in the morality of results rather than the morality of intentions. This means, first and foremost, doing the best possible job of promoting U.S. interests and then assisting others as we are able. History will ultimately judge American leaders by what they were able to accomplish for the American people, not by the purity of their hearts or the number of their military victories. Otherwise, Jimmy Carter would have been America's best foreign policy president and King Pyrrhus would be renowned as a great strategist. □

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